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25 APRIL 1986

# Latin America Report

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## LATIN AMERICA REPORT

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INTER-AMERICAN AFFAIRS

TRINIDAD-TOBAGO MINISTER ASSESSES TRADE WITH BARBADOS

Bridgetown WEEKEND NATION in English 21-22 Mar 86 p 3

[Text]

**POR-T-OF-SPAIN, Trinidad** — Trinidad and Tobago's Minister of Industry, Senator Wendell Mottley, said he received a number of complaints from local manufacturers about difficult access to the Barbados market for their products.

He said the complaints were made during Prime Minister George Chambers tour of export-related companies.

Speaking to reporters at the end of this month's stage of the tour which included companies along the east-west corridor, around Port-of-Spain and in West Trinidad, Mottley said a meaningful approach would be made by Trinidad and Tobago to improve access to the market.

"We have received extremely strong complaints about refusal to allow products from Trinidad into the Barbados market," said Mottley. "Either outright

refusals or through mechanisms being employed in Barbados have the effect of shutting out Trinidad products, and some of these complaints go back, they say, to early in 1985."

He added: "I am not keen on getting involved in tit for tat with any CARICOM (Caribbean Community) country, and I am trying to preserve that."

Mottley said he would discuss the subject with a group of Barbados manufacturers expected to mount an export drive in Trinidad and Tobago in the near future.

There has been a fall in trade between Barbados and the twin-island republic, with government officials complaining of protectionist measures in Port-of-Spain and Bridgetown.

Meanwhile, Mottley said Chambers was impressed by the state of the art equipment and the export readiness of local manufacturers.

He said the salient features

coming out of the final stage of the tour included complaints of government bureaucracy hindering manufacturers, requests for a rebate on more expensive locally made sugar, illegal imports of small items, and problems of access for local products to the Barbados market.

"Of special note yesterday in one of the plants in particular which he (Chambers) asked me again to bring to public attention, was the fact that some state of the art technology has been brought in here, and we have already reached the stage in our industrial sophistication where the efforts from the shop floor, backed by machine, shop and engineering capability, we are improving some of the machinery that we have imported.

"It performs better and has certain technical capabilities that put Trinidad in a unique advantage in addressing some of the export markets."

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CSO: 3298/395

INTER-AMERICAN AFFAIRS

CARICOM, DOMINICAN REPUBLIC DISCUSS TRADE, COOPERATION

FL242358 Bridgetown CANA in English 2231 GMT 24 Mar 86

[Text] Georgetown, 24 Mar (CANA)--Representatives from Caricom and the Dominican Republic reached broad understanding on a range of matters in which they hope to pursue increased efforts to deepen co-operation, the secretariat said today.

The two-day talks, which ended yesterday, were the first of the Caricom-Dominican Republic Joint Technical Group and covered trade, agriculture, transportation, health education and training, culture, and industrial relations.

The secretariat said the two sides recognized that there was potential for increasing trade between the Dominican Republic and Caricom, a grouping of 13 English-speaking Caribbean states.

The statement from the secretariat continued: They agreed that they will continue to study and consult together on the type of framework within which trade between the two sides could develop.

During the talks, representatives from both sides recognized that trade between the two sides, at the moment, constituted a very small proportion of their total trade. However, recognizing the potential for increasing trade between the two sides, they agreed that, to this end, they would co-operate in identifying possibilities for promoting trade missions encouraging attendance at, and participating in, trade fairs and exhibitions, by either side.

The two parties also agreed to look for avenues for co-operation in providing trade information between themselves and in developing links between the trade information systems in the Dominican Republic and in Caricom.

The Caricom side gave information on a number of programmes in the field of agriculture in which there could be possibilities for co-operation with the Dominican Republic. The main areas high-lighted were agricultural research, training, and production/marketing information systems.

For their part, the representatives from the Dominican Republic indicated that they would provide to Caricom similar information on research and training programmes.

The two sides exchanged detailed information in the areas of health, education, culture, and labour. They identified specific areas for further exchanges.

In the area of health, attention will be directed to human resource development, critical supplies (in particular essential drugs) and equipment, population and development, nutrition, health information, environmental protection, and disease control.

In education, areas identified for exchange of information were adult literacy, language training, and technical/vocational education.

In the field of culture, the two sides agreed that they would maintain contact in relation to the next Carifesta (due to be held in Jamaica in 1988) and for celebrations concerning the abolition of slavery in the Caribbean.

Both sides also agreed to exchange information on studies being conducted on matters such as labour legislation, personnel administration, and social security.

This first meeting of the joint technical group between Caricom and the Dominican Republic will be followed by a similar meeting of the joint technical group between Suriname and Caricom in the first week of April, and later between Haiti and Caricom at a date to be determined, the statement concluded.

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CSO: 3298/387

ARGENTINA

ROUCO WARNS AGAINST SIGNS OF ISOLATIONISM

PY042233 Buenos Aires LA PRENSA in Spanish 1 Apr 86 pp 1, 4

[J. Iglesias Rouco Column: "Four Years Later"]

[Text] Tomorrow will mark the 4th anniversary of the recapture--the lost and wasted retaking--of the Malvinas Islands by Argentine forces who were sent there by the last military regime. That operation, which this columnist predicted months in advance, has been seen and continue to be seen by some as the most patriotic feat of this century, which is bound to deeply transform the soul and even the culture of the nation: and by others, as the product of the most selfish ambitions of the "process" [meaning, the latest military governments of Argentina], which, finding itself slipping downwards, tried, through that operation, to prolong its tenure and to ensure "oblivion" for its wrongdoings, at the expense of the blood of hundreds of youngsters and the true international interest of Argentina.

We believe that both points of view have valid bases. Of course, those who consider the operation as a heroic feat forget the difference, and even the frivolity with which many people in the country followed the events of the war when it became inevitable; just as they forgot the government's systematic disinformation during the war, as well as the fact that the war was provoked by the shortsightedness of our government at the time. That government failed to realize that the 2 April operation put within Argentina's grasp all the strategic and political gains it could hope to obtain in the Southern Zone. The opportunity presented itself through the forced U.S. intervention and three peace proposals entailing an unprecedented Argentine presence in the archipelago. These proposals also called on Great Britain to negotiate, within more or less definite periods of time, the sovereignty issue it has always avoided and continues to avoid. All these possible gains were passed up by the Buenos Aires government, which chose to proceed with an armed conflict with uncertain, not to say catastrophic, consequences that were foreseeable as of 1 May 1982.

Nevertheless, those who fought in the air, on land, and on the sea in the Malvinas operation--although they may seem quite few as a percentage of their countrymen--may certainly act as the seed of a new sense of national honor and moral strength, that some day may perhaps be at the service of a better nation. In turn, those who condemn the 2 April operation, confusing the landing operation

with the war that broke out later, do take into account the geopolitical and strategic opportunities that it offered us and continued to offer us midway through the war. Of course, these opportunities were not seized because of hardheadedness or stupidity, if you prefer, of the military regime. The undiscerning realism of this group only serves to blur their judgment.

### Isolation, the Disaster's Root

And what is much more serious is that both supporters and detractors of the 2 April operation do not show the slightest sign of having recognized the root of the disaster, which is none other than the country's external isolation which induced Argentina into that desperate undertaking on 2 April 1982, and which if properly handled, would have been justifiable--just as they do not recognize the isolation brought about by the defeat. Worse yet, the two groups based the defense or the criticism of that event on the same idea of isolation that aroused the crowd at the 10 April 1982 rally organized by Teneral Leopoldo Galtieri.

This idea of isolation implies a rupture or near-rupture with the "North," the United States and West Europe. Consequently, it satisfies the extremes of the right and the left, and the authoritarian sectors of Alfonsinism, whose model of a constitutional dictatorship calls for internal isolation because a country that is in rapport with the democratic world will not make it easy to install that model within our borders.

It is not by accident that Mr Alfonsin is maintaining the Malvinas dispute in the same or similar terms as those in which it was maintained by the "process" after the fall of Puerto Argentino, and he is doing so despite the will to negotiate that which he proclaims. It is not by accident either that since 1984 the Casa Rosada is compounding the problem with all kinds of games and ambiguities regarding Nicaraguan Sandinism and the al-Qadhdhafi regime, even to the point of raising doubt recently about the sortie into Honduran territory by the Sandinist (Cuban, in fact) Army, and of abstaining from condemning--without the justification of the European abstention--the Libyan attack on the U.S. fleet in the Gulf of Sidra. Part of the same maneuver to increase this isolation are the government's refusal to submit to the IMF rules, which are nevertheless expressly accepted; the "peace corps" recently promoted by Mr Caputo in Punta del Este; the "solidarity" front of debtor countries that the foreign minister is quietly encouraging; and the foreign minister's upcoming renewed offensive in the Contradora Group. It is even likely that Alfonsinism will soon seek support for a "Latin American" condemnation of the U.S. "intervention" in Honduras and of the Washington aid to the Nicaraguan "Contras," which the U.S. Senate has just approved. The pro-divorce campaign to pick a confrontation with the church and the Vatican plus government support of "liberation theology" rounds out the government action directed at that internal isolation. The objective is, we repeat, to separate Argentina from any Western association that may hinder the installation of the "model" of authoritarian dominion in the national arena even resorting to a purely Western pretext, such as divorce.

What is the difference between that policy and the one being instrumented by leftists, who do not belong to Alfonsin's Radical Civic Union Party and the ultraleft in the face of these questions? It is not true that only a few hours ago "revolutionary Peronism," for example, which is run by many leaders of the Montoneros group, joined the demonstration to celebrate the "feat" in the Malvinas against "imperialism"? And what about the ultraright and especially some military ultrarightists who for a long time have been supporting not only a new violent "recovery" of the Malvinas but also the type of terrorist dictatorship advocated by Tripoli, with which these rightists are still keeping very close contacts just as they did in 1982 (and earlier). These rightists even hope to carry out without limitations the cooperation on nuclear energy and the exchange of weapons, begun during the last decade by Lopez Rega and continued by the "process."

Now then: What can be expected from such a program? Obviously, from the domestic point of view, what can be expected is the radicalization of the political parties, especially of Peronism, which has already occurred with regard to the foreign debt. The Armed Forces have also become radicalized. Under the protection of an "anti-imperialist" nationalism, the Armed Forces could serve very well--even from the right as military fascists--the authoritarian designs of the left, as long as the left advocates nationalism and isolationism would ease the pressures on many officers responsible for the "dirty war," pressures that do not come from the East, Cuba, Nicaragua, or from subversive organizations, but from Western Europe and the United States.

However, it is in the international field that the situation becomes complicated.

Perhaps the "anti-imperialist" nationalism and some imaginary "plots" with their consequent "purges" will allow those who advocate the local style of authoritarianism to impose their "model" without major problems and to guide Argentina toward national-socialism or a national brand of socialism, which is being advocated in unison by Alfonsinist groups and the ultraleftists and rightists. However, the situation is not so simple abroad. First of all, Washington is quite ready to fight any type of totalitarianism and has again warned Buenos Aires about it with great firmness immediately after Caputo's last venture in Punta del Este. And secondly, London has its own business in South America with Chile and perhaps also with Brazil and other neighboring countries.

In fact, on 20 March, I reported in this column that according to the Argentine Air Force, Chile is carrying out fortification works, possibly installing missiles, on Dawson Island across from Tierra del Fuego. I also reported the permanent presence in that area of British submarines, of which at least one is nuclear. But this is not all. For example, in addition to the missile bases in Punta Arenas, in the Santiago area, and the Iquique region, near the border across from Rio Turbio in areas close to where the Sofanor Parra Regiment is stationed, the Chilean Army is training modern units with 100 to 200 Kawasaki 400 cc motorcycles. These are armed with "bazookas" and grenade launchers capable of destroying tanks and opening roads for quick penetration into Argentine territory. The Chilean Army in 1 year has also doubled other

mechanized forces across from Rio Turbio and Commandante Luis Piedrabuena. According to reports from congressman and former congressmen from Santa Cruz such as Peronist Raul de Antoni, British espionage is becoming more active in that province under the direction of the alleged administrator of several British ranches, who is apparently in permanent contact with Punta Arenas and London, cities to which he reportedly travels very often. In addition to that, there is always a Chilean submarine in the Straits of Magellan.

In sum, it is believed that the Chilean forces in the southern zone are three times greater in number and firepower than the Argentine forces. By the way, this situation does not go along at all with the "spirit of peace," which according to Caputo, now prevails in the relations between the two countries, taking into consideration that the increase in the Chilean military capability became obvious just before or about the time of the signing of the Beagle Channel Treaty. Regarding Brazil, its military deployment at the border has become even more important and warrants attention, as pointed out by Frondizi yesterday.

Then everything indicates that the isolationism advocated from within Argentina tends to cause neighboring countries to create an armed fence around us. Under these conditions, "revolutionary" activities and "Latin American" nationalism are not just a problem of ideology or of carrying out a determined political system or state project. They are problems of national survival. Therefore, on the fourth anniversary of the "feat" or "disaster" of the Malvinas, it is necessary for the Argentine people to ponder the things we can still lose.

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CSO: 3348/495

ARGENTINA

DETAILS OF ARMED FORCES CHIEFS MESSAGES

PY041728 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1840 GMT 2 Apr 86

[Text] Buenos Aires, 2 Apr (NA)--Navy Chief of Staff Vice Admiral Ramon Antonio Arosa today labeled as "exemplary" the military action carried out on 2 April 1982 in which "the Argentine Armed Forces achieved their objective under difficult conditions, and without bloodshed."

Arosa's message was read at noon today in the country's naval garrisons and institutions on the anniversary of the first battle in the war against Great Britain for the recovery of the sovereignty of the Malvinas.

Arosa's message ways that "4 years ago today, the Argentine joint forces reintegrated the Malvinas Islands into our territory in an operation that can be labeled as exemplary for having achieved their objective under difficult conditions, and without bloodshed."

Arosa adds that "on the new anniversary of this historic event we recall with pride the names of those who fell that day as well as of the Argentine civilians and militarymen who heroically gave their lives in later operations thus reaffirming our unyielding sovereign rights over our territory."

Arosa goes on to say that the Argentine Navy "will forever keep in its memory the South Atlantic war not only because it was fought for a just cause but because its men without exception gave testimony to the virtues advocated by Admiral Brown. Our comrades in the Army, Air Force, and other security forces, as well as the civilians have also shown courage, and manliness in the great battles of the South Atlantic."

Arosa added that "only with patriotism, stoicism, discipline, professional ability, and esprit of corps, qualities that our men who fell possessed can the institutions achieve relevance and respect."

Arosa's message says "Upon evoking their memory I invite you to ponder about the noble meaning of the unselfish sacrifice of those who are no longer with us to ask the All Mighty to grant their souls eternal peace."

In conclusion Arosa's message says that "they knew how to fulfill that duty when the time came" and "their memory encourages and inspires us to continue fulfilling our duty."

For his part, Air Force Chief of Staff Brigadier Ernesto Crespo today voiced his hope that "those of us who survived the Malvinas war will have as much courage as those heroes who shed their blood so that the institution may continue on the path of sacrifice and courage" taken by our martyrs.

In a message addressed to all the Air Force garrisons and read during the main ceremony presided over by Brigadier Roberto Clambor at the military Air Force headquarters, Crespo urged his subordinates to join the effort to be able "to give our successors an Air Force worthy of that force that showed the enemy that it did not swear in vain to defend its flag with its life."

Crespo said that "on this date that marks 4 years since we recovered the Malvinas I wished to recall the somewhat painful but proud memories of this heroic deed so dear to the Air Force, which fought unconditionally with energy, discipline and courage, but above everything with deep love for the country in defense of its sovereign rights."

He then said that he hoped that "this example set by our main forces and recognized by the whole world not be forgotten. The lost lives of our dead heroes should help inspire renewed force in those who survived, to allow our institution to continue following the principle of sacrifice and courage as we are obliged because of the glories we obtained and the current demands imposed on us."

Afterward he added that "with faith in my soul, a serene thought, and sure action, I invite you all to join in the effort to be able to bequeath our successors an Air Force worthy of that which showed the enemy that it did not swear in vain to defend its flag with its life."

Finally he stated that "if we do so, our Lord will allow our flag to flutter again with honor on the unredeemed land of the Malvinas Islands."

In turn Army Chief of Staff General Hector Rios Erenu today exhorted his subordinates to remember "the anonymous hero that worked nonstop day and night with scarce resources" during the military operations of the Malvinas War.

Rios Erenu's message was read during a ceremony that took place this morning on the date commemorating the start of the Malvinas War 4 years ago on the parade ground of the Libertador Building in this city where the Army paid tribute to those who died in combat.

In his message, Rios Erenu urged that "that heroic action that allowed our national flag to once again flutter at the top of a mast in Puerto Argentino, encourages us to improve our training and our combat ability."

Rios Erenu recalled "the soldiers who participated in feats still not registered by military history, as well as those others who gave their lives."

"Their sacrifices were not in vain because the lives that were lost stand as a testimony before the world and history of a fair cause," Rios Erenu said.

The ceremony was presided by Army Staff Deputy Chief General Mario Sanchez, and it was attended by Malvinas war veterans. The ceremony concluded with an outdoor mass offered for those who died during that heroic deed.

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CSO: 3348/504

ARGENTINA

DAILY CRITICIZES ADDRESS BY PARAGUAY'S STROESSNER

PY081931 Buenos Aires LA PRENSA in Spanish 7 Apr 86 p 6

[Editorial: "A Message Plagued With Fallacies"]

[Text] The speech the president of Paraguay delivered to open his country's congressional session has caused great astonishment, because what he said is completely contradictory with the situation that this South American country is presently experiencing.

No one can rightfully say, as the unscrupulous president said, that there is freedom of the press in Paraguay, when an independent newspaper such as ABC COLOR has been closed for 2 years and 1 month because of a government decision; or when its director has been arrested merely for exercising his legitimate right to criticize the local authorities.

Neither can the opposition political sectors, which denounce, as is their duty, the excesses committed by the government and its highhanded string-pulling, be described as unrepresentative of politically weak.

This is the same government which only a few weeks ago instructed the police to shoot at and disperse a demonstration in which 5,000 people were expressing support for the Authentic Radical Liberal Party [PLRA] and exercising their right to hold a meeting.

The president's abusive language also included the Church, whose hierarchy was warned that they should exclusively preach the Word of God, as if the Church had no involvement in community affairs relative to the behavior of man and society. Such a limitation imposed on pastoral preaching would leave void of any content the message of the Gospel, which is not only theological but also deeply humanist in tone.

In addition to the gross conceptual errors that it contains, it is obvious that the presidential message clearly reveals the isolation of this paternalistic and authoritarian regime, which is characterized by its opposition to the leading national sectors. It is not uncommon to find in the same or similar critical position, the Church, journalists and the political leadership. Such uniformity in condemning a government by such qualified spokesmen makes us believe that the charges raised against the Paraguayan Government for abuse of power are true.

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CSO: 3348/504

ARGENTINA

PC'S FAVA SCORES GOVERNMENT, UNION LEADERS

PY110018 Buenos Aires DYN in Spanish 2110 GMT 6 Apr 86

[Text] Buenos Aires, 6 Apr (DYN)--Communist Party [PC] Secretary General Athos Fava said that the recent speeches of Labor Minister Hugo Barrionuevo and Economy Minister Juan Sourrouille are "a slap in the face for the entire labor movement and the people," and added that "struggle is now our only recourse."

Fava spoke at 1730 today at "Ferifiesta 86," the third annual fair sponsored by the Communist Party. In his speech the communist leader charged the labor leaders with "conniving and entering into pacts with the employers and the government in order to sabotage strikes or challenge the victories of combative unions, as they have done with the meatworkers union," obviously referring to recent elections in the meatworkers union where the joint ticket of the PC and of the Movement Toward Socialism [MAS] won.

Fava recalled some of the remarks that President Raul Alfonsin made during his controversial Villa Regina speech [in which he lashed out at the communists] and said: "I want to repeat here today that the bourgeoisie, whether willing to initiate reforms or not, could never head any movement toward liberation."

Fava praised the People's Front, an electoral alliance of the PC, the MAS and certain Peronist sectors, by saying that "the axis of this alliance is anti-imperialist and anti-oligarchic unity which will gather the Peronist left, the socialists, the intransigents, the Christian Party and the Radical Civic Union left."

Athos Fava concluded his message by lashing out at the radical government for "maintaining the repressive labor laws of the dictatorship, the same judges and the same repressive mechanisms," and said that the PC "clearly and openly states all the aspects of the government policy of which it approves or disapproves."

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CSO: 3348/504

ARGENTINA

BRIEFS

\$350-MILLION CREDIT GRANTED--Buenos Aires, 3 Apr (TELAM)--The Economy Ministry officially reported tonight that the Board of Directors of the World Bank today unanimously approved a \$350-million credit for Argentina that will be sent to increase the production and exports of the agriculture and livestock sector. Among other things, these funds will provide compensation for the reduction in the amount withheld by the government on agricultural and livestock exports. [Text] [Buenos Aires TELAM in Spanish 2309 GMT 3 Apr 86 PY] /9274

CSO: 3348/495

BAHAMAS

ISAACS SPELLS OUT GOALS OF FNM GOVERNMENT

Nassau THE TRIBUNE in English 24 Mar 86 p 1B

[Text]

**CORRUPTION** will not be tolerated in the ranks of an FNM government, promised party leader Kendal Isaacs, speaking to members of his Delaporte constituency Thursday.

He said that an FNM government could not "afford to jeopardize the confidence of investors whom we will attract to the Bahamas" and pledged that they will "stamp out immediately the harassment of investors by hordes of con artists, bagmen and assorted leeches seeking something for nothing."

Following is the full text of Mr Isaacs' speech:

I am satisfied and I can assure this nation that the Free National Movement has the ingredients necessary to turn this country away from the maladministration of the Pindling Government towards the New Direction envisaged by the FNM.

I also want to assure every Bahamian wherever you are tonight that the Free National Movement believes in the Bahamian people. We know that in the great majority we are a freedom-loving, God-fearing and christian people. The Free National Movement is on your side and we will not let you down.

The FNM abhors greed and corruption and will never tolerate them in its ranks. The new direction will not accommodate men and women who allow themselves to be bribed or corrupted.

We are committed to the operation of a government of men and women of such values as honesty, decency and fairplay, inspired by love and service to God and all our fellowmen.

We will face the challenge to provide a better and more fulfilling life for all Bahamians. Nothing or no one shall be allowed to get in the way of these our solemn commitments.

The FNM will enforce the laws against bribery and corruption. It is my promise to you, the Bahamian people, and it is necessary to repeat it again, that

corruption will not be tolerated in our ranks.

We cannot afford to jeopardize the confidence of investors whom. We will attract to the Bahamas, and furthermore we must set good examples for the nation, especially our young people; to show them that there is no glamour in being crooked but that there is dignity and personal satisfaction in honest work for honest pay.

It is no secret that too many of our people are unemployed and have been unemployed for too long. By the Government's own reckoning there are 21,000 people who are without jobs.

For a small country such as ours, the FNM considers that too high a figure and we find it totally unacceptable. From our own observation and information available to us, we have reason to believe that the unemployment figure is even higher.

None other than the Prime Minister himself promised the Bahamian people as far back as the late seventies that there would be full employment by 1980. We don't know what he meant when he used the phrase "full employment." What we do know is that 1980 was six years ago, and instead of the employment situation getting better, it has got progressively worse.

Too many of our youth who deserve to be working at honest jobs are instead being recruited by the drug pushers and are themselves becoming victims of drug abuse.

The solutions to our massive unemployment problems are to create an economic climate in our nation for commerce and industry to prosper and to provide incentives for Bahamians to have their own businesses and to encourage investments by reputable foreign persons and companies.

If these conditions exist in a climate of social and political stability and mutual trust and respect between the Government and the private sector the problem of unemployment will be solved or lessened to a substantial degree.

The PLP Government have for the last couple of years been operating like a "government in crisis", which in fact it is. The FNM is convinced that no serious long-term plan for development exists on the Government's agenda.

The PLP Government has not been bold enough to take the bull by the horns and lead the entire country forward to genuine progress by long-term planning and timely execution of those plans. There has been a dismal lack of co-ordinated development planning in the use of our land, natural resources and infrastructural expansion.

Furthermore, there has been an abysmal lack of planning in the repair and upkeep of government properties, buildings and various other facilities throughout our archipelago. Millions of dollars have been wasted on the acquisition and construction of expensive facilities which were then foolishly left to waste and deteriorate.

The FNM Government will plan for the orderly development of our country in the following areas:

1. The proper use and disposition of land;

2. The intelligent use of our natural resources;

3. Infrastructural expansion throughout the Bahamas with particular emphasis on the Family Islands;

4. The protection of our ecology and the preservation of our natural beauty;

5. Urban development with special emphasis on rebuilding the older sections of Nassau Over-the-Hill;

6. Further tourist developments and expansion with particular emphasis on the Family Islands;

7. Agricultural development and experiments in Andros, Eleuthera, Long Island and the Eastern Islands.

8. A massive road-building programme together with an on-going system of repair and upkeep;

9. Installations of running water, electricity and telephone services especially to our far flung Family Islands.

10. An immediate and intensive system of building docks

and harbours and upgrading airport facilities in every major island.

In connection with number five, let me say that the PLP Government has again talked much and done little. The Prime Minister says that \$5 million is being committed to

the Grants Town renewal programme. Now that is a drop in the bucket and, furthermore, only about half that amount will be spent this year, if that.

We pledge that we will not squander the country's money experimenting with grandiose private sector enterprises. The moneys which are presently being spent in those areas will be diverted into our development plans so that our people throughout the country may enjoy a better standard of living.

Every Bahamian should have a roof over their head, with a good water supply, electricity, telephone service, decent roads, docks, airports, good health care and a well-balanced diet, among other things. The FNM will initiate a bold approach as it charts the way towards the new direction for our country.

The employment situation together with other economic indicators such as the strength of the dollar, investment climate, interest rates, the money supply, venture capital, the building industry and many others, together will determine the state of the economy overall.

The responsibility of priming the economic pump so as to induce a steady flow of money all the way down the line to our farmers, fishermen, domestic workers, insurance, banking, building and small industries rest squarely with the Government. If the Government by its policies and attitudes is perceived by the business and industrial community to be setting bad policies, passing retrogressive legislation, allowing political peddlers to swindle investors, and refusing to play by the rules from day to day, then these agents of economic growth will take their businesses somewhere else.

The FNM reiterates with even

greater conviction its previously stated policy that the Government should not become involved unnecessarily in the private business sector. The record shows that the PLP government has squandered millions of dollars trying to run businesses which are best left to private enterprise.

The case of the Lucayan Beach Hotel in Freeport is a good example which was mentioned by previous speakers. The Hotel Corporation, which was until recently under the chairmanship of the Prime Minister himself, has been refurbishing this hotel for nearly 10 years and spending millions. Still it is not yet opened. This is a scandalous waste of the public's money which could have been put to better use. Instead, the public has to suffer neglect in essential services and facilities and still has to turn around and pay additional taxes so that the borrowed money of a half billion dollars, interest on the loans and losses can be paid off.

As far as the economy is concerned, one of the first things an FNM government will do is set about through various means immediately to restore the confidence of Bahamian and foreign investors so that clean money will flow into the country to create jobs.

We will process in a reasonable time, free from unnecessary red tape, all serious proposals for investment. Once we have given the go-ahead to any investor as a mature and responsible government, we will keep our word and abide by our agreement.

We will stamp out immediately the harassment of investors by hordes of con artists, bagmen and assorted leeches seeking something for nothing.

The FNM as the government shall remain committed to the improvement and expansion of the tourist trade. We recognize the impact tourism has had upon Nassau and Freeport, but we see an even more exciting expansion and further development of this our number one industry in our beautiful and unspoilt islands.

National stability in our view can only be assured if our people are able to find worthwhile jobs in their own communities rather than overcrowding Nassau and Freeport in search of employment.

Let me further state for emphasis that an FNM government is committed to develop

the full potential of agriculture, fisheries and light industries in our country, to give Bahamians full participation in the economic development of our country, to help create more jobs, and to cut back on our massive annual expenditure for imported foods.

The PLP government in our view has been totally insincere about agriculture and fisheries as the glaring neglect all around us indicate. This neglect and insincerity are further demonstrated each year as the PLP government talks a lot about agriculture but spends only a little to encourage it.

An FNM government will continue the development of our social security system to assist the poor and our senior citizens.

There is no question that we need to turn in a new direction in order to build a new society.

A society where human freedoms and the right of people to differ, to criticize, to live the way they please within the framework of the rights of others, where true democracy may flourish.

A society free of all forms of unfair pressure, of corrupt use of power, of victimizing people and denying them the right to

live because they do not share your political beliefs.

A society in which all men and women who want to work can find work to do.

A society which is not plagued with violent crime, a rampant drug trade and the scourge of drug abuse among so many of our people.

A society free from bitterness and fear which are now like dark clouds over this land. We must restore tolerance and unity. A country divided against itself cannot generate the dynamism to make the changes which are needed at this time.

Our party and the next government of this country - the FNM Government - will need the co-operation, trust and confidence of all Bahamians who can put progress for all ahead of unconscienable gain for the few. I promise honest government and fairplay for all.

And so, fellow Bahamians, and especially those of you who have not yet made the decision to support us, I say tarry no longer, for each day you support the PLP another nail is driven in the nation's coffin.

Let us all join hands so that we can make an even mightier force to set our beloved Bahamas in a new direction, free of past ills, free to renew our Christian belief in the brotherhood of man, and where every man strives to be his brother's keeper in a nation which is not for sale.

BAHAMAS

FNM STATEMENT WARNS OF RE COURSE TO PEOPLE'S POWER

Nassau THE TRIBUNE in English 24 Mar 86 p 1

[Article by Athena Damianos]

[Text]

**UNLESS** Prime Minister Pindling calls an election by the end of June, the Opposition will utilize "people's power" and take to the streets in demonstrations, the FNM warned in a Press statement today.

"The FNM serves notice on the Prime Minister that in the face of mounting international rebuke his corrupt Government has received and is still receiving abroad, the Opposition intends to hold him to his word concerning his call to his supporters to register by June. It is a clear implication that elections will be announced in that month or shortly after," it said.

Should he renege on this, the Opposition, utilizing "people's power," "will again take to the streets in demonstration until he does the honourable thing," the FNM warned.

On March 6, Sir Lynden asked supporters at a mini rally in Shirlea to get registered by June. He said that the Ministry of National Security was trying to organize satellite registration stations in Nassau and Freeport.

Parliamentary Registrar Creswell Sturrup said today that the required announcement will be made in accordance with the Representation of the Peoples Act. He declined to give a date.

The FNM said that the compromised position of Sir Lynden, 56, is still the subject

of much negative publicity in the world press and controversy and discussion in the international banking arena.

It pointed out that corruption in the Bahamas and the use of local banks by drug smugglers was recently featured in The Toronto Star, a leading Canadian newspaper.

"Once again the Prime Minister's conduct has given the decent and honest citizens of the Bahamas an international black eye and our country is subjected to public odium, ridicule and contempt because of corruption in the PLP Government," said the FNM.

"The FNM sincerely regrets that the Bahamian people will still have to wait until June of this year before they will be given an opportunity to vote in general elections which are so badly overdue.

"Once again the trickery and incompetence of the Pindling Government has caused this delay as the country is today without a register of voters. Had the Government carried out the necessary provisions of the Constitution and the law which would have allowed them to prolong the old register or start the new register before the old register ceased to exist, this situation would have been avoided."

The FNM served notice on the Prime Minister that in the face of mounting international rebuke his "corrupt" Govern-

ment has received and is still receiving abroad, it intends to hold him to his word concerning his call to his supporters to register by June.

It said that to date, the Pindling Government has been featured by news media on both sides of the Atlantic and the Prime Minister's conduct has been held up for the whole world to see "what manner of man is this."

Earlier this year The Toronto Star in an investigation on Canadian banks doing business in the Bahamas featured the Prime Minister again under this same scope, "but this time the publication raised doubts about confidence in the minds of international banks doing business in the Bahamas under the Pindling administration.

"The Free National Movement believes that foreign banks operating in the Bahamas need to be assured that they are dealing with an honest Government and a trustworthy Minister of Finance," it said.

"If these banks, which are being pursued daily by the United States Government to produce records of American citizens in connection with drug trafficking and money laundering, are convinced that complicity in such schemes goes to the highest level in the country then it is painfully obvious that almost overnight the pillars of the banking community in the Bahamas

could collapse and thousands more Bahamians be unemployed."

The Toronto Star dealt in depth with the accusations of drug traffickers Frank Barber, Timothy Minnig, Robert Twist Jr and others. In particular the newspaper looked at the special relationship Timothy Minnig shared with Edward Sawyer, former branch manager at a local bank and Minnig's claim that Sawyer helped him bank his "ill-gotten" wealth and supervised his deposits and withdrawals.

Minnig claimed he gave the Prime Minister \$100,000 to provide protection for the Minnig drug empire, which operated brazenly and quite successfully with little local interference, in the Bahamas during the period 1979-1981. The Commission discounted Minnig's claim.

The Toronto Star dealt with Mr Sawyer's glowing letter of praise and recommendation which he provided Minnig and the sudden twist he took in his testimony in this regard during the hearings of the Commission of Inquiry.

"The FNM is still baffled over why Prime Minister Pindling met with Mr Sawyer just days before Mr Sawyer gave his testimony at the

Commission of Inquiry and we are sure that this question is one which still puzzles the entire banking community," the party said.

"Once again it has been shown that Prime Minister Pindling's tenure in office in the face of monumental wrongdoing and serious allegations are undermining the founda-

tions of the Bahamian society and sapping the morale of the Bahamian people."

Almost \$200,000 was deposited to the Prime Minister's bank account during the period 1977 to 1983, the source of which could not be identified.

One of the Commissioners, Bishop Drexel Gomez, in his finding said he could not say that money the Prime Minister received did not come from drug related sources. He chastised the Prime Minister for operating his financial affairs in such a way that it would be difficult to preclude drug money from finding its way into the Prime Minister's account.

Time Magazine, in its March 1986 edition recalled again that the Commission of Inquiry implicated two Cabinet members in drug smuggling and nearly toppled the Pindling administration.

It also referred to a Miami Herald editorial which stated in part: "The panel portrays a country haunted by cocaine abuse, a police force riddled with corruption, lawyers perverted by greed and a government tainted by widespread influence peddling."

"The FNM once again reiterates that against this continuing backdrop we will hold the Prime Minister to his word regarding early elections as only a new mandate from the people can save the Bahamas from further embarrassment abroad and safeguard the high office of Prime Minister from odium and contempt," it said.

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CSO: 3298/396

BAHAMAS

**ELECTION SPECULATION SPURRED; PLP-FNM ROW CONTINUES**

**Public Disclosure Appeal**

Nassau THE TRIBUNE in English 20 Mar 86 p 1

[Excerpts]

GOVERNMENT has given notice of its intention to appeal Opposition leader Kendal Isaacs Public Disclosure victory to the Privy Council, sparking speculation that Prime Minister Lynden Pindling has begun his election campaign.

The Attorney General's Office yesterday filed notice of its intention to apply for leave to appeal to the Privy Council on behalf of the Public Disclosure Commission against the recent decision of the Court of Appeal, which held that the

complaint by Mr Isaacs against certain non-disclosures by the Prime Minister must be reheard by the Public Disclosure Commission.

There is speculation that, rather than face a possible second defeat in the courtroom, Sir Lynden may call an election before the Privy Council hands down a decision. The Privy Council would probably take between two and four months to deal with the matter, a lawyer who has dealt with the Council said today.

**Isaacs Press Conference**

Nassau THE TRIBUNE in English 20 Mar 86 pp 1, 14

[Article by Athena Damianos]

[Text]

THE PLP Government is trying to use the Haitian problem to camouflage their failure and detract from the key issue of corruption in the Government, FNM leader Kendal Isaacs said today.

Mr Isaacs prefaced his remarks at today's press conference, saying that as early as 1975, the FNM was advocating in and outside of Parliament

that something had to be done about the vexing illegal immigrant problem with which the country was faced.

"Of course, our words fell on deaf ears. Evidence would show later that Prime Minister Pindling was too busy taking care of his financial affairs than dealing with the problems of the nation," he said.

He said that National Security Minister Loftus Roker has been given approximately 12 hours of air time on ZNS radio and television to repeat over and over again his now "infamous insult" to the Prime Minister and his insensitivity to the rights of human beings.

"Mr Roker has told us that he organized his raids on two

Bahamian islands without even consulting his Prime Minister, his Minister of Foreign Affairs or the Attorney General. However, we understand that Mr Roker saw fit to consult the American Embassy on his intended move," Mr Isaacs said.

"We in the FNM were appalled when we learnt of how the raids at Bimini and Cat Cay were conducted. We are totally satisfied that our information that the raid was callously conducted and human beings were subjected to harsh and cruel treatment is correct."

Mr Isaacs pointed out that Catholic Bishop Lawrence Burke has described as "sub-human" the conditions in which the over 200 men, women and children are living at Fox Hill Prison.

"Prime Minister Pindling, as expected of him, has resorted to name calling and labelling as FNM any critic of any of his Government's policies. We wonder how he will handle Bishop Burke's comments," he said.

"Sir Lynden has said that you can't play politics with

human suffering. But that is exactly what he is doing. He has admitted that these people are suffering in Fox Hill Prison under the conditions in which they are being detained but he is powerless to do anything about it."

Mr Isaacs, on behalf of the FNM, advised Government to enter into discussions with the Governments of the US and Haiti in an effort to find a workable solution to the illegal immigrant problem.

"We believe that the Government of the United States can more effectively influence the new Government of Haiti to take back her people," he said. He pointed out that Haiti is dependent on US economic aid, and saw no reason why the Bahamas couldn't persuade the US to press the Haitian government to take back its nationals.

Mr Isaacs said there is a mutuality of interest here since Haitians in the Bahamas will try to get to Florida.

"But whatever is done, we say the Haitians and especially

the children should be treated like human beings and not brutalized in the process of repatriation. We can never abandon this position so Sir Lynden can call it what he likes," he said.

Mr Isaacs said that for the last 20 years, Government, "save for the usual lip service," has sat back and allowed the illegal immigrant situation to grow out of proportion. He said it has escalated to an unacceptable level.

Mr Isaacs said the FNM stands firmly behind the country's immigration laws and their proper enforcement.

He quoted from the party's 1982 Declaration of Commitment: "The FNM sympathizes with those peoples of the world who leave their homeland in search of a better way of life but the Bahamas cannot absorb these people because of our own unemployment problem. However, we recognize the common dignity of all peoples and we will ensure that they are all afforded humane treatment and protection under the law."

#### McWeeney on PLP Dissidents

Nassau THE TRIBUNE in English 20 Mar 86 p 4

[Article by Anthony Forbes]

[Text]

PLP Chairman Senator Sean McWeeney declared Tuesday that if dissidents work out a deal with the FNM for the opposition not to oppose them, they will be branded as "closet FNM candidate" and "silent collaborators" of the official opposition.

Speaking at a PLP mini-rally in the Carmichael constituency, Sen McWeeney said that the dissidents have no way to turn, no "viable options" open to them and have become frustrated, which explains to a very great extent their performance in parliament.

He told of former PLPs creating a third party, of the Dissident Eight revolt of 1970, and of other parliamentarians, who were "steamrolled over" and "mashed" by the PLP machine in every general election since 1967 when the party won power at the polls.

"And so the moral of that history lesson is threefold," he said. "One, if you want to play the fool for one moment and if you believe that PLPs are going to play the fool with you, you are in for a big mistake."

"PLP's go with PLP's and if you believe for one moment

that you can fool PLP's into believing otherwise, you are in for the greatest political shock of your lives," the PLP chairman said.

Secondly, he said, "the national electorate in this day and age, has no use for dissidents of either party and that goes for George Wilson too."

"There is no such thing as an independent politician in this day and age," he said. "The political mainstream in this country is occupied by two political parties, the PLP and the FNM and those are the only two parties that will return anybody to parliament."

He said that independents, Free-PLP's and independent PLP's are wasting their time.

"And thirdly, if any of those two or two and a half fellows believes for one single moment that they can escape the lessons of history, I can assure them that they are condemned to repeat them," he said.

"But let me say that I can understand the frustration of some of that tiny crew may be going through, and I think it is important that we understand that situation because once you understand the frustration, you can then understand why some of them are behaving as they are in parliament," he said.

He said that the problem is that the party has taken a position on one of them, former Minister of Housing and National Insurance Hubert Ingraham, MP for Cooper's Town, Abaco.

"The party has said that Hubert Ingraham is not going to be nominated in the next general elections, and there's no question about that, he is not going to be nominated," Sen McWeney said. "That's a final decision of the party."

"But you see, the other fellows, a couple of these other fellows, were in this thing as much as Hubert, and they are going to have an awful lot to explain to Hubert if they go ahead and accept a PLP nomination, if Hubert has been declined a PLP nomination," he said.

"So you see they have a problem with taking a PLP nomination, so what are their choices?" the PLP Chairman asked.

"They know, I believe, if they run as independents they are going to be slaughtered because the whole weight of historical precedence as I've outlined to you is known to them and they must be able to understand what that means and so they must be able to see that to run as an independent is not a viable alternative," Sen McWeney said.

He said that the dissidents have said publicly that they won't run on an FNM ticket.

"They've said that over and over again and so they can't now run on an FNM ticket because they then wouldn't have any political credibility," he said.

"But it doesn't even stop there," he said. "They can't even work out a deal with the FNM for the FNM not to oppose them because if the FNM doesn't oppose them, we are going to brand them as closet FNM candidates as they are silent collaborators of the FNM and closet supporters of the FNM."

"So where does that leave them, they can forget about the third party option. They saw what happened to the NDP in 1967, you see there is no way to turn, and when you have no way to turn, when you don't

have any viable options open to you, all that happens is what you see is frustration," he said.

"All you see is frustration and I believe that that explains to a very great extent, the performance of some of these fellows in parliament and I generally feel sorry for them because if I was in their position, I probably would feel the same way but I'm happy I'm not in that position and I'm not going to be in that position," he added.

"And they got in that position by their own choosing and it is their problem, not our problem," the PLP Chairman declared.

He said it is important for PLP's to understand and appreciate these things because "very often all we do is we sit down and say why so and so carrying on like this is parliament, what's his reason, why is he carrying on like this for."

"But you have to understand the political reasons, the political circumstances which accounts for this kind of behaviour and once you can see that, once you can appreciate that, it becomes less of a problem in your mind," Sen McWeney said.

He said that the party is pointing out to the dissidents the areas of darkness in which lurks the numerous pitfalls to which they can fall "and we hope that they can heed those kind words of advice which are given this evening."

JPRS-LAM-86-038  
25 April 1986

## Ingraham Response

Nassau THE TRIBUNE in English 21 Mar 86 pp 1, 4

[Article by Athena Damianos]

[Text]

IT IS essential that the case against blatant corruption and "shamelessly sickening banditry" in high places be put along with other issues during the next election campaign, former Housing and National Insurance Minister Hubert Ingraham said today.

Mr Ingraham, who was responding to remarks PLP chairman Sean McWeeney made Tuesday, assured the chairman that he proposed to assist in doing this.

At a rally Tuesday, Mr McWeeney took a swipe at the Cooper's Town MP over the party's decision not to nominate him as an election candidate. He told PLP supporters that former dissidents who tried to create a third party were "steamrolled over" and "mashed" by the PLP. He referred to Attorney General Paul Adderley, who left the party to form the NDP, but later rejoined.

Mr Ingraham, 38, today had these words of advice for Mr McWeeney: "In the effort to put out my political candle, your steamroller and all others who support you should take great care not to have their fingers burnt or the steamroller overturned."

He also gave the chairman a brief history lesson on what happens to arrogant rulers.

Mr Ingraham said he was surprised that Mr McWeeney invited Kendal Nottage to share a platform with him at the Carmichael rally Tuesday because of his known position in relation to Mr Nottage's candidacy. He was also surprised that the chairman used the occasion to belittle Mr Adderley.

Mr Ingraham said he has been denied a PLP nomination by the NGC at the wish of Prime Minister Pindling with the active encouragement and support of Mr Nottage.

He pointed out that the stated reason for the decision was because "I dared to speak in the People's Parliament against compromised and disgraced colleagues and the inexcusable neglect of the Family Islands - a subject which I have been addressing since my election to Parliament in 1977."

Mr Ingraham said that the denial of a nomination was made by some PLPs sitting in judgment in Nassau without any consultation with PLPs in Cooper's Town and in spite of the expressed wish of virtually all of his constituents for him to be the candidate in the next elections.

"The contempt shown towards the Abaco PLPs is a good example of how the 'steamroller' is moving on its 'way ahead' with Kendal Nottage, who exercises unimaginable influence in PLP circles, as an unofficial immovable mate and Sir Lynden as its eternal captain," he said.

"It is essential that the case against blatant corruption and shamelessly sickening banditry in high places and the case for economic development, job opportunities, infrastructural development and local government be put during the next election campaign. I propose to assist in doing this.

"I am fully aware that the road to Parliament for me in the next election will not be smooth and many obstacles will be placed in my path; but to overcome difficulties, as some-

one said sometime ago, is to experience the full delight of existence."

Mr Ingraham acknowledged that most politicians who tried to swim against the tide ended up politically grievously harmed or dead.

"I assume therefore, that Sen McWeeney was simply perfecting his act of ingratiation when he spoke of the political history of so-called PLP dissidents rather than seeking to lecture or frighten. The chairman would do well to remember that 'brag is like a dog that everybody hates but nobody fears,'" he said.

"While recounting history, we should not forget...the recent political demise of rulers such as Marcos of the Philippines, Baby Doc Duvalier of Haiti and Bokassa of the Central African Republic and not so long ago, Somoza of Nicaragua and the Shah of Iran. (Incidentally, all of these former rulers had their McWeeney's until the very end)."

Mr Ingraham reminded the chairman that history has shown men who tend to be most arrogant are commonly the most mistaken.

"Frankly, I do not need Sen McWeeney to tell me what my political options are for he is a mere novice mouthing the sayings of a Chief whose perception is now clouded by the absolute need to remain supreme and to have so-called 'irritants' like myself removed from Parliament. In any event, why doesn't Sen McWeeney wish to be a PLP candidate in the forthcoming general elections? Armchair generals like

Sen McWeeney should put their theories into practise."

Mr Ingraham, who has served in the PLP hierarchy since he was 28, when he was chairman, said he does not want sympathy or pity from anyone, least of all from Sen McWeeney.

However, he was "truly sorry" for Mr McWeeney's public and private expressions, which he said are hopelessly irreconcilable.

"I refuse, however, to remain silent in the face of the great cover-up in which the chairman is presently participating, assisting and orchestrating for the sole purpose of preserving the role of one man and the offering of protection to his friends to the ultimate detriment

ment of our organization and country," Mr Ingraham said.

He said the most startling aspect of Mr McWeeney's comments related to reducing men and PLP MPs to fractions.

He felt Mr McWeeney would be the last person to talk about being less than whole as, in his opinion, he is not qualified to do so.

"The good senator knows that he cannot win on this score...Sen McWeeney would be well advised not to refer to men and party colleagues in fractional terms again," he said.

Mr Ingraham said he is comforted by the support he has received and continues to get from the people of Cooper's Town.

#### Voter Registration Charges

Nassau THE TRIBUNE in English 21 Mar 86 p 1

[Article by Anthony Forbes]

[Excerpts] The Free National Movement has information that some persons are registering in more than one constituency so that they will be able to vote more than once in the next general elections.

This revelation was made last night by Official Opposition Leader Kendal Isaacs who warned that a fine and/or three month prison sentence faced anyone convicted of such an offence.

"Anyone who wants to take that chance of registering in a constituency in which he is not resident or register more than once," said the former attorney general, "stands the risk of being prosecuted and if we find that declarant, then that declarant will be handed over to the proper authorities for the necessary action."

Addressing his Delaporte Constituency Forum at St John's High School auditorium, Mr Isaacs said the FNM will remain vigilant and will examine every voters list and will not wait until election day to challenge those individuals.

Mr Isaac's remarks on the registration of voters came at the end of his talk on "Business and investment opportunities under an FNM Government."

Other speakers at the Forum which also featured a question-and-answer period at the end of the addresses, included Yamacraw MP Mrs Janet Bostwick on "Opportunities for Women," and Torchbearers Youth Association President Tommy Turnquest on "Opportunities for Youth under an FNM Government."

"It is essential that we register if we hope to make a contribution," he said. "To use a well-known phrase, a 'voteless people is a hopeless people.'"

"We are concerned from information received that some individuals are registering in more than one constituency and they are hoping to get away with that on election day when they hope to vote more than once," Mr Isaacs said.

"I would like to sound a warning to such individuals, we in the Free National Movement will be vigilant and we will examine every voters list and comparing that list with the people who live in that constituency," he said.

"And if we find that people are registering in constituencies in which they do not live, then we are not going to wait until election day to challenge such persons," he said.

The Opposition Leader said the law provided that three or more registered voters in a constituency can petition the Parliamentary Registrar or a Revising Officer if they find that someone is registered in a constituency while not being qualified to do so.

"And the Revising Officer or the Parliamentary Registrar, if it is proved that that is so, can strike that person off the register," Mr Isaacs said.

"We will be, as I have said, be watching that register and we intend to see to it that only persons qualified to register in a constituency are allowed to register," he said.

Reiterating that the Government will not become involved unnecessarily in the private business sector, Mr Isaacs said that the record shows that the PLP Government has squandered millions of dollars trying to run businesses which are best left to private enterprise.

As far as the economy is concerned, he said, one of the first things an FNM Government will do is to set about through various means immediately to restore the confidence of Bahamian and foreign investors so that clean money can flow into the country to create jobs.

"We will stamp out immediately the harassment of investors by hordes of con artists, bagmen and assorted leeches seeking something for nothing," the Opposition Leader said.

He said that an FNM Government will process within a reasonable period of time without unnecessary red tape, all serious proposals for investment.

"Once we have given the go ahead to any investor, as a mature and responsible Government, we will keep our word and abide by our agreement," Mr Isaacs said.

He said that an FNM Government is committed to develop the full potential of agriculture, fisheries and light industries in the Bahamas to give Bahamians full participation in the economic development of the country and help create jobs and cut back the massive annual expenditure on imported food.

He said that an FNM Government will continue the development of the country's social security system to assist the poor and senior citizens.

PLP Disclaimer

Nassau THE TRIBUNE in English 25 Mar 86 pp 1, 12

[Article by Athena Damianos]

[Excerpts]

PLP CHAIRMAN Sean McWeeney said today it is absolute nonsense to say that the Prime Minister's request for PLP voters to register by June is a clear implication elections will be held around that time.

Mr McWeeney telephoned The Tribune at lunchtime to brand the Opposition's remarks of yesterday as "a complete *non sequitor*."

"This isn't the Philippines. The Opposition is obviously emboldened by what it has seen in the Philippines and Haiti. There's no parallel whatsoever," he said.

Mr McWeeney said that the Opposition's threat to utilize "people power" and take to the streets in demonstrations if an election is not called by the end of June is "strictly unoriginal" and a "recycling of FNM tactics."

The FNM served notice yesterday that, in the face of mounting international rebuke the "corrupt" Pindling administration is receiving, it intends to hold the Prime Minister to his word concerning his call for PLPs to register by June.

"It is a clear implication that elections will be announced in that month or shortly afterwards," the FNM said, adding that should Sir Lynden renege on

this, the Opposition, utilizing people's power, "will again take to the streets in demonstrations until he does the honourable thing."

Mr McWeeney said that there are a number of reasons why Sir Lynden could have urged PLPs to vote, including the Opposition's suggestion. He said another possibility was that the Prime Minister was asking PLP supporters to register, just as the FNM has been doing.

"It was a partisan pitch," he said. He said that the Boundaries Commission has not met yet to determine what changes, if any, will be made.

Mr McWeeney also claimed that St Agnes MP Kendal Nottage never implied that Opposition leader Kendal Isaacs benefitted to the tune of \$100,000 in the Islander Hotel "deal." The Commission of Inquiry found that Mr Nottage fronted for Michael Caruana, a New England organized crime figure/drug trafficker, in a joint venture in Freeport's Islander Hotel. Mr Nottage's involvement with Caruana became public during 1984 - about four years after the Islander court case.

Asked if the party accepted the

Commission of Inquiry report, in light of the fact that he feels Mr Nottage is in good standing in the PLP, he said the party has accepted the report as "being a finding of the Commission" and that there was a "qualified acceptance."

He said it depends to whom the report refers and about what, but that the report is not infallible.

The three Commissioners who arrived at the conclusions were selected personally by Mr Nottage's good friend - the Prime Minister.

He said that the PLP has not yet conducted an inquiry into the report's finding on Mr Nottage and he remains in good standing. Asked when an investigation would be conducted, he replied "at the appropriate time." The report was released in December, 1984.

Mr McWeeney said that Mr Ingraham was being "very mischievous" when he made the Adderley remark.

He said he referred to Mr Adderley as one of a number of PLPs who left the PLP to illustrate that dissidents have a history of being crushed politically and that his reference was made purely in the historical context.

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CSO: 3298/389

BAHAMAS

PINDLING: NO CHANGE PLANNED IN BANKING PRIVACY LAWS

Nassau THE TRIBUNE in English 13 Mar 86 pp 1, 4

[Article by Alexis Wallace]

[Text]

PRIME Minister Pindling told the seventh annual Bahamas International Financial Conference this morning that Government does not intend to change its existing tax structure or alter its banking privacy laws to satisfy the US statutory requirements under the Caribbean Economic Recovery Act 1983.

Sir Lynden, who is also Minister of Finance, said that while the government will continue to explore ways to discourage and prevent criminal elements from successfully making use of its financial institutions, it finds that the object and scope of the exchange of information is an incompatible point from which negotiations might be started.

He said the stipulation for over-riding bank privacy laws and subjecting third country nationals to the requirements of the agreement are most objectionable as compliance in this area would remove utterly the rationale and appeal of the Bahamas as a financial centre to non-United States residents and nationals.

He said: "We continue to rely on the banking community here to make sure that we are aware of the adequacy and competitiveness of our arrangements. The system must at all times be responsive to the stimuli for change.

"In addition to the newer developments, some of the old issues are still with us, eg, our efforts continue unabated to preserve the requisite privacy of banking business by striking the appropriate balance between banking confidentiality and legitimate efforts to prevent its use for criminal purposes."

"As I have emphasized to you on previous occasions the Bahamas was always agreeable to co-operate with other governments to consider ways of curbing criminal activities through the use of the Bahamian financial system.

"In this connection therefore, I am able to report that representatives of the Bahamas Government and the government of the United States have completed negotiations and have agreed in principle on the provisions for a Mutual Legal Assistance Treaty in criminal matters which we expect both governments to agree to and conclude this year," the Prime Minister said.

"When I came before you in February 1984, I had reason to believe that the Treasury Department of the United States may have been showing some flexibility in the type of approach it thought it needed in addressing the challenge of tax haven abuse.

"This hope sprung from comments in a Treasury De-

partment report entitled 'Tax Haven In The Caribbean Basin.' Since that time my old doubts have returned because on 24th July, 1984, the Treasury Department released a discussion draft of an Exchange of Information Agreement which stipulates that: "The contracting states shall assist each other to assure the accurate assessment and collection of taxes, to prevent fiscal fraud and evasion and to develop improved information sources for tax matters."

He said that, additionally, the draft agreement requires that its provisions over-ride disclosure and confidentiality laws of the contracting parties and apply to information relevant to tax matters of the United States or the contracting state whether or not the persons involved are nationals or residents of the countries party to the agreement."

The Prime Minister said he took this "opportunity to emphasize once again that the Government of the Bahamas has consistently maintained that it does not intend to change its existing tax structure or alter its bank privacy laws which it would have to do to satisfy the United States statutory requirements under the Caribbean Basin Economic Recovery Act 1983.

"The government of the Bahamas holds the view that while it will continue to explore ways to discourage and prevent criminal elements from successfully making use of its financial institutions, it finds that the object and scope of the exchange of information agreement is an incompatible point from which negotiations might be started."

He continued: "The stipulation for over-riding bank privacy laws and subjecting third country nationals to the requirements of the agreement are most objectionable as compliance in this area would remove utterly and completely the rationale and appeal of the Bahamas as a financial centre to non-United States residents and nationals."

Negotiations by the American government to have the Bahamas government and banks

turn over information on certain deposits in connection with grand jury investigations was sparked by a June 13, 1983, US Supreme Court decision to let stand a lower Federal Courts ruling that challenged secrecy laws governing bank deposits in the Bahamas.

The three-day financial conference, which was opened this morning by the Rt Hon Lord Chalfont, director, Lazard Brothers & Company Ltd, is being held at Britannia Towers. It is sponsored by the Association of International Banks and Trust Companies in the Bahamas (AIBT) and the Central Bank of the Bahamas.

Among today's speakers was the Rt Hon Lord Pritchard, chairman of Rothmans International Advisory Board, who spoke on "Some thoughts on the Bahamas as an Offshore Banking Centre."

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CSO: 3298/389

BAHAMAS

BRIEFS

ACTION GROUP ELECTIONS--George Wilson has been re-elected unopposed as chairman of the FNM Action Group. During a special meeting last Thursday, the Action Group passed Resolutions to hold elections and to intensify its political activities in over-the-hill Nassau and the Family Islands. It was also agreed to expand the executive. The following are the election results: George Wilson, chairman; Jim Wood and Derek Simms, vice-chairmen; Fred Ramsey secretary-general (nominated by former secretary-general Oswald Marshall); Joan Roberts, Calvin Spence, assistant secretary generals; Anthony "Boozy" Rolly, treasurer; David Bullard and Gus Cartwright, assistant treasurers; Rudy Edwards, chaplain; Angela Dean, recording secretary, and Kenneth Wood, Gregory Wood, Judy Fernander, Richard Smith, Rodney Braynen, executive members. [Text] [Nassau THE TRIBUNE in English 18 Mar 86 p 1] /9317

RIGHTS GROUP SPLIT--Freedom and Justice Action Now Committee has discontinued its association with Bahamian Coalition for Human Rights, sponsors of last night's march, because it claimed the FNM "politicised" the event. The group was formed in mid-1985 on the apartheid issue. "It is distasteful to us that the FNM tried in the most deceitful, but yet unsuccessful attempt to make this historic attempt just another political forum. Such action we feel are those of prostitutes. It is quite clear to us that they have failed to act in good faith and due to their politicising of the event it is difficult for us to have any further association with this coalition, Bahamas Coalition for Human Rights," group leaders Dion Hanna, a lawyer, and Milford Lockhart, Vanguard party supporter, said in a Press release. The group said it feels it must continue its struggles and that all efforts must be made to free and unite the Haitian families who were arrested in Bimini February 20. [Excerpt] [Nassau THE TRIBUNE in English 12 Mar 86 p 1] /9317

CSO: 3298/389

BRAZIL

CUBA READIES ENVOY'S NOMINATION; ADVANTAGES IN RELATIONS

Brasilia CORREIO BRAZILIENSE in Portuguese 16 Mar 86 p 18

[Article by Yolanda Vianna: "Cuba Already Has Appointee for its Embassy in Brazil"]

[Text] The Cubans are interested in renewing diplomatic relations with Brazil but have given assurances that they will not exert any kind of pressure to speed that process up. In the meantime, they have already picked the future ambassador who is to serve in Brasilia and the designee has been practically definite ever since the flirtation in diplomatic relations began. Because of the degree of importance which Brazil represents as far as Havana is concerned, he will be one of the five deputy foreign ministers and, according to the law of probability, Brazilians will be able to receive Raul Roa Kouri who, in 1962, was appointed by his father, the then Foreign Minister Raul Roa Garcia, to be ambassador to Brazil, where he remained until the rupture of relations between both countries. In any case, the ambassador will be a young man with vast knowledge about Brazil. Meanwhile, Cuban diplomats are openly traveling throughout Brazilian territory for the purpose of initiating contacts with the regions and their state governments.

All preparations show that, the moment the renewal of diplomatic relations has been approved by President Jose Sarney, the embassy will immediately be set up, along with a consulate in Rio de Janeiro. In the beginning, only few Cuban diplomats will be accredited here but it is said that they will not be idle and, to make up for the time of separation, they will work intensively toward the signing of agreements, both in the cultural and sports area as well as in trade.

For the Cuban diplomats, who have been in Brazil since 10 March, Brazil and Cuba have many commercial and technological advantages. Cuba is very much interested in Brazilian technology in the sugar industry sector, which is the first-ranking source of foreign exchange for the Cubans. Alcohol technology can also be used widely by Cuba, in addition to data processing, especially Brazilian microprocessors which have aroused Cuba's attention.

Brazilian experiences in the area of alternate energy sources can also be used rather well by Cuba through certain adaptations since both countries have the same climatic characteristics. According to Cuban diplomatic

sources, the technology required in the use of trash as an energy source, which was tested in Rio de Janeiro, is getting wide dissemination. They are also familiar with the European test techniques but they know that these methods would not work in Cuba because of the weather conditions.

On the other hand, the Brazilians will be able to get Cuban knowhow in the health and sanitation sector. According to statistics, there are 15 cases of death for every 1,000 inhabitants in Cuba. In biotechnology and genetics, the Cubans can point to great advances, primarily as regards artificial cattle insemination. Cuban diplomats see great possibilities for joint ventures in construction, using Cuban highway and airport construction programs and Brazilian services in third countries.

They also stated that "As the work gets done, other ideas will spring up to benefit both sides." Trade between Brazil and Cuba will not be very big in quantitative terms, but can "turn out to be significant" in proportional terms in the opinion of Cuban diplomats. They believe that Brazilian products will find an open market since the Cubans, who until now have been investing their financial and human resources in social goals, such as health and education, are beginning to look toward personal consumption.

Today, fabrics, shoes, and electrical household appliances made in Brazil can be found in special shops for international tourists and diplomats. According to them, there is a trend for this situation to spread to the entire Cuban population. Cuba and Brazil have good prospects also in the area of culture and sports. While Cuban athletes--in such sports as basketball and volleyball--are tapped by Brazilian teams, literature and painting from Brazil will be given wide dissemination in Cuba. The Cubans are quite familiar with the art of Di Cavalcanti, Portinari, and Aleijadinho, among others, as well as Guimaraes Rosa, along with Drummond de Andrade, and Jorge Amado.

Cuban sports techniques will certainly be transferred to Brazil and, as we know, Cuban athletes have been outstanding in many international competitions. There is no need to make any comment on music. It suffices to say that Chico Buarque, Djavan, Elba Ramalho, and Roberto Carlos are well known to the Cubans whereas, on the other hand, Brazilian artists have begun to promote Cuban music in Brazil. Diplomatic sources however noted by way of caution that "one must not underestimate the artists because they have been the carriers of international exchange." Some contacts are being set up between Cuban diplomats and Brazilian musicians and singers for participation in festivals in Havana during the next several months.

#### Defense

Brazil, with its specific significance in Latin America, and Cuba, which is very much present among the nonaligned, will be able better to defend the interests of the Third World, both by improving their position in trade, by promoting higher prices for products turned out by all of them, such as, for example, coffee and sugar, in the opinion of Cuban diplomatic sources, as a clear message to the effect that this renewal of diplomatic relations will

be worthwhile for Brazil and that Cuban products will not compete with Brazilian products.

Tourism is another point of mutual interest. While it is today normal to find Brazilian tourists savoring Tropicola--the revolutionary version of Coca-Cola--the number will be even greater after the renewal of diplomatic relations; Cuban sources have stated that "There will be a return for Brazil which will certainly receive many Cuban tourists." According to these sources, "the Cubans want to get to know Brazil due to ethnic and cultural roots and similarities."

"This renewal of diplomatic relations will come easily, even this year, and that depends on the political timing by the Brazilian government," according to the Cubans, who explained that "There are no arguments that would hinder renewal of diplomatic relations this year. They noted that "from the objective viewpoint, there are no problems that have to be resolved."

In denying that there is Cuban pressure to speed up this renewal of diplomatic relations, the diplomats recalled that "This will certainly greatly improve Brazil's image as a new democracy in the eyes of the Third World, after its turnaround in diplomatic relations with the government of Cuba." And the "momentary freeze in the process of studies leading to the renewal of diplomatic relations on the part of Brazil" does not worry the Cuban diplomats. They recalled that, in 1868, when there was still a monarchy in Brazil, the imperial government recognized Cuba's liberation army which was fighting for liberation from colonialism. This recognition of insurgency was recorded as an act of solidarity on the part of the Brazilian people toward the Cuban people. And the Cubans do not fail to introduce a lighter note, anticipating "among the various possibilities of exchange, marriages between Cubans and Brazilians since the majority of the population in Cuba is made up of men."

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CSO: 3342/87

BRAZIL

PRIEST-SYMPATHIZERS OF SANDINISTAS ACTIVE IN MARANHAO

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Mar 86 p 2

[Text] During a visit by President Jose Sarney to his State, Maranhao Governor Luis Rocha disclosed that his intelligence service detected the existence of "infiltrated fathers," who are sympathizers of the Sandinista regime, in the union movements of rural workers in the town of Grajau, a township located 350 kilometers from Sao Luis.

According to the governor, some missionaries connected with the CPT (Pastoral Land Commission), have been distributing medals bearing slogans that exalt the Sandinista regime of Nicaragua. During a sweep carried out between October and November of last year, employing about 100 heavily-armed Military Police, 20-gauge and 12-gauge shotguns were seized along with "hollow-point" cartridges which are exclusively used by the Armed Forces. The governor however noted that he did not have any concrete evidence that the priests were being trained in Nicaragua although he emphasized that he does have information from the rural agricultural communities, reporting that the missionaries have already been in Managua after passing through the border stations of Belem and Manaus.

According to the governor, the priests who sympathize with the Nicaraguan cause are Luis Pirota, Jean Zuffelato, and Claudio, all of whom are Italians and belong to the secular order, serving at the Grajau prelate's office. In October of last year, there were reports of the murder of 22 squatters in that town, although this was never confirmed. According to official data supplied by the CPT in Sao Luis, two farm workers were murdered during that period of time; they were Antonio Inacio and Antonio Ferreira Silva; the latter was the delegate of the town's farm worker union. But something unexpected did happen in October: A man considered a local gunman was beaten to death by the population of the district of Arame with clubs and scythes.

According to Sao Luis CPT advisor Joao Maria, many CPT militants sympathize with the cause of the Sandinistas and wear the propaganda T-shirts and buttons of the Nicaragua regime. But in his opinion this is not sufficient reason to confuse the work of the Church among the farm workers with a foreign government. He accuses ranch owners in the interior of Maranhao of spreading rumors about the "links" of the priests in the region where there is a conflict over land with subversive movements and is surprised that this news has even reached the United States government.

BRAZIL

UAE SEEKS PURCHASE OF 66 EE-11 URUTU ARMORED VEHICLES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Mar 86 p 10

[Article by Roberto Godoy: "Emirates Buying Armored Vehicles from ENGESZA"]

[Text] The government of the United Arab Emirates is negotiating with ENGESZA, S.A. [Specialized Engineers, Inc.], of Sao Paulo, for the purchase of 66 EE-11 Urutu armored vehicles; these are amphibious vehicles which are equipped with the West's most advanced antitank missile, the American TOW. These vehicles can also be equipped with a 25-millimeter rapid-fire cannon in an advanced configuration that has already been developed by the enterprise. Commercial contacts between the Brazilian manufacturer and the Defense Ministry of the seven principalities were stepped up over the past 2 months when it became increasingly possible that the war between Iran and Iraq might spread.

The re-equipment program for the Joint Forces, made up of 43,000 fightingmen, has been estimated at approximately \$4 billion over a period of 5 years. According to one of the officials of the agency that handles the contracting for the supply of weapons and systems, S. Obeid, who was at Engesa a few weeks ago, "business with Brazil can come to as much as \$150 million." The formal sale of the 66 Urutu vehicles, by itself, would represent a figure of \$50 million. Officially, the company admits only the existence of "routine contacts" with the authorities of the UAE.

This figure is impressive, even when judged by the standards of the national defense industry which run into the millions. For example, by way of comparison, at the start of the conflict in the Gulf, in 1983, Iraq signed a special supplementary contract with Engesa and Avibras Aeroespacia in an effort quickly to make up for losses of certain types of equipment, amounting to something like \$300 million. In 1985, the total volume of orders received from the 35 countries with which the industry as a whole deals came to slightly more than \$800 million.

The United Arab Emirates fear the negative effects of the probable spread of the struggle in the Middle East. Under strategic pressure, the government therefore decided to create a highly sophisticated defense system. At this time, it is awaiting the delivery of 38 supersonic French Mirage-2000 aircraft, the West's most modern in this class, plus 3 C-130 Hercules transport

aircraft, 24 Hawk tactical fighters, 30 Mangusta attack helicopters, and a Swiss-made Skyguard completely computerized air surveillance system, provided with 35-millimeter AA guns and Hawk medium-range missiles for which 42 launchers and 343 missiles were procured. The ground forces will get 20 new light Scorpion tanks and the 66 Urutu, completing a modernization process that was planned already 3 years ago. In a similar manner, the Navy, which last year commissioned fast electronic missile boats, by the month of May hopes to get four multipurpose helicopters for ASW operations and reconnaissance.

Professional personnel is also being recruited on a large scale outside the boundaries of the seven emirates; at least 14,000 regular personnel in the Army, the Navy, and the Air Force are permanently recruited foreign mercenaries, including some from South America.

#### Deadly Combination

Together with the TOW antitank missile launcher system, the EE-11 Urutu constitutes a deadly system that combines the flexibility of the armored vehicle made by Engesa with the lethal efficiency of the United States weapon. In this version, the Brazilian amphibian can carry ten combat-equipped men, plus a crew of two men, the driver and gunner; in the high-density configuration, it can carry as many 14 fightingmen. With a range of more than 750 kilometers, a speed of 110 kilometers per hour on land and 9 kilometers per hour on the water, it also employs laser telemetry and an infrared night vision unit. It has a 300-horsepower diesel-turbine engine with a four-speed automatic gear box. It has complete traction in its six wheels with bullet-proof tires and automatic protection against flamethrowers or ordinary fire. This 13-ton armored troop transport vehicle is one of Engesa's best-sellers; it can be used as a platform for various weapons, from machineguns all the way to heavy mortars. Forces of 31 nations use the Urutu which is being evaluated by the United States Defense Department as a fast-vehicle alternative intended for the special squadrons.

The TOW missile, which the commanders of the UAE want, is also a successful item put out by Hughes Aircraft, an American company, which in 1987 delivered the 490,000th unit. The TOW, the tube-launched optically-tracked wire-guided [missile], became a success based on a simplified technology. Guidance is provided by means of a cable and the "smart" warhead automatically tracks the target, permitting the gunner to direct the missile to the target by means of an optical sight. The entire assembly is rather light and the three glass fiber boxes, plus the electronic monitor weigh 79.4 kilograms. Only one operator is needed; all adjustments are completed at the moment the missile is put into the launch container where the terminals of the electrical and hydraulic connections are located. Hitting the target is simple; it suffices to keep the lines of the tracking grid centered on the target. The margin of error is less than one percent.

The TOW is 1.18 meters long, it has a caliber of 115 millimeters, and has a maximum weight of 19 kilograms. The warhead carries a 3.6-kilometer penetrating hollow charge. The ideal range is 2,000 meters, with a minimum

range of 65 meters and a maximum range of 3.7 kilometers. The 25-millimeter gun, which may possibly be mounted in the turret of the Urutu, which the Arab Emirates want, can fire at a rate of 600 rounds per minute, aimed electronically. Equipped with bimetallic plates of a new design (the outside plate is much harder than the inside plate, making it possible to absorb the impact of projectiles), the Urutu can withstand direct hits by all automatic weapons, even with armor-piercing ammunition, and fragments of antitank grenades.

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CSO: 3342/87

BRAZIL

#### CFP ASSESSES CENTER-SOUTH CROP LOSSES FROM DROUGHT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Mar 86 p 34

[Text] The country lost 21 billion cruzeiros due to the drought that hit the Center-South region and caused a drop of 10.5 tons in the main products guaranteed by the government's policy, that is, cotton, rice, beans, soybeans, and corn. The estimates made by CFP (Production Financing Company) indicate that 44.02 million tons of grains of these products will be harvested, pointing to a loss of 14 percent when compared to the 51.2 million tons harvested last year.

According to statistics disclosed by CFP, the losses in the soybean harvest came to 3.6 million tons; in the corn harvest, they reached 5.4 million tons; beans, 600,000 tons, rice, 341,000 tons; and raw cotton, 583,000 tons.

Considering the minimum prices currently in force, these figures point to a loss of approximately 21 billion cruzeiros, not considering what might be collected through the merchandise distribution tax and the resources involved in the transportation of those products.

The total output of the summer harvest estimated by CFP comes to 43.45 million tons which, in addition to those 5 products, also includes the peanut, castor-oil plant, and sorghum harvests. If we compare the 1984-1985 and 1985-1986 harvests regarding all of these products, then the loss comes to 16 percent.

#### Rice

According to estimates by Edison Pereira Lemos, chief of the CFP harvest estimate division, rice, compared to the preceding harvest, increased by 6 percent, particularly because the drought did not hit the main rice-growing regions. In Rio Grande do Sul, the chief producing state, the major portion of the total harvest yield comes from paddy rice. Although beans showed a loss of 45 percent during the first harvest (rainy season), they registered an increase of 18 percent during the second harvest (dry season), partly making up the loss which was kept down to 13 percent.

#### Corn

Compared to the 1984-1985 harvest, corn showed a drop of 16 percent; soybeans went down 29 percent; and raw cotton lost 33 percent. Lemos explained that the CFP will make another survey of the 1985-1986 harvest in April and should come up with a closer estimate of the productivity of each product. The variations that may occur by then in each product will be very small.

BRAZIL

BRIEFS

OIL OPERATIONS CONTINUE UNABATED--PETROBRAS [Brazilian Petroleum Corporation] President Helio Beltrao said yesterday that there will be no government restrictions on the enterprise's petroleum prospecting and pumping program "because of the economy's vital arithmetic," since the cost of extracting each barrel in Brazil is not \$15 or \$20, as has been said, but rather \$6 out at sea and \$5 on land. According to the Petrobras president, the government should compare the importing of petroleum, as spent in the form of dollars, to this cost deriving from the extraction of Brazilian petroleum which, in American money, does not even come to \$1. "We have to find out whether we are going to spend \$17 or \$18 per imported barrel or \$6 for domestic petroleum, most of which is spent on transportation." Beltrao attributed the disagreements in the various interviews on this matter to the news to the effect that the government seeks to review the enterprise's investments in the petroleum producing area. "This is not the government's thinking," he emphasized, "because this price is something episodic and petroleum policy is not an immediate thing. It is made for a decade and, during the next decade, all analysts agree that there will be a return to higher price levels, assuming that this does not happen even before then." He said that, at the current production level of 600,000 barrels per day, the nation's petroleum reserves will be sufficient for 11 years of production or 7 years of consumption and they are about to increase significantly. This is why, if the prospecting effort were to be suspended, the country would pay a high price in the future because it is an absolute national necessity to know with certainty how much petroleum the country has in its subsoil. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Mar 86 p 28] 5058

CSO: 3342/87

CHILE

SEGUEL SAYS SITUATION 'FULLY RADICALIZED'

PY040256 Buenos Aires DYN in Spanish 2242 GMT 3 Apr 86

[Text] Buenos Aires, 3 Apr (DYN)--Chilean National Workers Command (CNT) Chairman Rodolfo Seguel today stated that the Chilean situation "has fully radicalized" and that it will be difficult for a transition from the government led by General Augusto Pinochet toward a democratic regime to take place peacefully.

Seguel was scheduled to arrive today in Argentina to participate in a trade union meeting in San Luis Province. However, in statements for a radio station in Santiago, he stated that the seriousness of the situation in his country prevented him from traveling.

"The country has started to radicalize. We cannot talk about elections for 1989 (as announced by Pinochet) or whether the dictator will resign, or about anything because no one knows what will happen after armed confrontations have already begun" between the people and the government, Seguel stated.

Seguel termed "regrettable, disastrous" the period Chile is experiencing. Seguel stated that "the radicalization of the situation creates great conflicts for us, the community leaders, because our intention is to provoke changes using peaceful means."

On the other hand, Seguel stated that "there is no dialogue. There is no political intention to solve the problems. The dictatorship has taken a very radical position."

In statements for the program "On the Way Back," of Radio Mitre, Seguel stated that, for example, that "yesterday, a pro-government person was killed in his own business. Earlier, acid was thrown in the face of some policemen. Opposition people also die in every march or day of protest."

The CNT chairman felt that "the situation will continue to radicalize. Confrontations with the Carabineros or with the pro-government civilians will continue and the government's hand will be harder."

Concerning the situation of the salaried workers, Seguel stated that the minimum wage is \$20 [pay period not specified] while "the average family's expenses is in the order of \$70." Seguel added that "the purchasing power has dropped enormously," stating that "while \$1 costs 200 pesos, 1 kg of bread costs 80 pesos so you can imagine if it is possible for a worker to live on \$20."

The Chilean union leader was expected today in the city of San Luis to participate in the Argentine-Chilean congress on labor safety and hygiene sponsored by the SAMTA [Trade Union of Mechanics and Related Automotive Transportation Workers]. In this congress, besides the specific matters on the agenda, the political and trade union situation of the two countries is to be debated.

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CSO: 3348/503

CHILE

AD OVERCOMES DIFFERENCES, PROMOTES JOINT ACTION

PY100220 Santiago Radio Chilena in Spanish 1700 GMT 9 Apr 86

[Text] The Democratic Alliance [AD] has drawn up a document of consensus giving due consideration to the requests put forward by the Socialist and the Radical Parties, and establishing the main courses of action to be followed by the opposition coalition. The AD has thus overcome the difficulties that arose within its executive council.

In a statement released this morning, AD President Armando Jaramillo reported on the results of the bilateral talks.

Jaramillo explained that the consensus is that all those who want a political transition toward democracy must engage in a broad mobilization. After praising the initiatives of women, students, and professionals, the AD leader outlined the coalition's political plan.

[Begin Jaramillo recording] The AD appreciates such initiatives. Now the AD wants to express its determination to strengthen and broaden the opposition accord that demands democracy now. Pursuant to this objective, the AD parties will make the National Accord for the full Transition to Democracy more efficient by turning it into a broad expression of understanding among Chileans. The AD parties will also try to reach an agreement to clearly tell the country the path that it will have to take in the future.

Those parties which have not made their choice for either democracy or dictatorship and which, consequently, do not believe that the National Accord should be made more efficient, should honestly state their position.  
[End recording]

The AD parties have also agreed to make an in-depth study of the guidelines for the transition period. In this regard, the parties want to promote an accord.

[Begin Jaramillo recording] The political and social sectors must agree on the guidelines National Accord for the Transition to Democracy. Thus, it is necessary to reach an agreement or a pact that should help us

promote social justice. Therefore, we hereby express our willingness to discuss such a pact with all the interested parties.

In the area of political accord, the AD parties have given due consideration to the position of the Radical and the Socialist Parties. [End recording]

Jaramillo added that the AD has decided to promote a political program including joint action on the main social fronts.

[Begin Jaramillo recording] The AD parties have decided to promote a political program which, among other objectives, will foster joint action to end exile and the military intervention at the universities. [End recording]

After reiterating their willingness to promote joint action to give a peaceful political solution to the Chilean crisis, the AD parties stated that they consider themselves valid interlocutors in the struggle for democracy.

/9604  
CSO: 3348/503

CHILE

CARABINEROS ARREST RELATIVES OF DEAD PRISONERS

PY092340 Santiago Radio Chilena in Spanish 1730 GMT 8 Apr 86

[Relay from Chuquicamata by reporter Miguel Garay]

[Text] Carabineros this morning arrested six relatives of 26 political prisoners executed in Calama in 1973. The relatives were trying to excavate in the Topater area looking for the bodies of their murdered relatives.

Yesterday, about 200 relatives and members of several social organizations started to excavate in the Topater area with the aid of a map drawn up by Calama Bishop Carlos Oviedo Cavada. The bishop had marked the location where the bodies of the 26 political prisoners, executed on 19 October 1973, are believed to be buried.

Excavation was to continue today, as little progress was made yesterday. However, when the group arrived this morning they were stopped by Carabineros who did not allow them to continue, accusing them of violating a law protecting national monuments. Carabineros prohibited further excavation in the area alleging that it is an archeological site.

The six people who were arrested are now at the disposal of the criminal court in Calama. Labor union leaders and lawyers are trying to obtain their release.

The Carabinero action has caused suspicion among the population since it is not known for sure whether the bodies of the 26 executed political prisoners are in the area. Many social organizations are expected to make declarations regarding this unexpected action on the part of the Carabineros.

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CSO: 3348/503

CHILE

UNIVERSITY STUDENTS PROTEST CAMPUS VIOLENCE

PY081655 Santiago Domestic Service in Spanish 2300 GMT 7 Apr 86

[Excerpts] Students of the Metropolitan University have denounced the presence of people who are promoting violence and political agitators in their midst. The Student Alliance of this university has published a declaration on the events that occurred there recently. The student organization requests that an investigation and assessment of those events be undertaken by the university authorities so that the university's image will not again be distorted.

The declaration says that since the academic year began, the Metropolitan University has witnessed a proviolence propaganda campaign intended to provoke agitation and political violence. All of this to be within the framework of civil disobedience and ingovernability at the university, the Student Alliance declaration says.

To that end, the declaration adds, walls have been painted and posters and pamphlets have been distributed with instructions for specific activities and explaining the motives. Verbal violence has been used, including immoral language.

A group of independent students from the Catholic University has called on fellow students to change their attitude of indifference, which only facilitates the proviolence and political activities, toward those who want to create a climate of ingovernability.

The same group of students says that it does not agree with the lack of dynamism that characterized the past nor with the leadership of the current directorate of the FEUC [Catholic University Students Federation], which far from discharging its obligation to act as an authentic channel for the expression of the Catholic University students, has become the mouthpiece for the member's individual positions regarding the national situation.

This group of students also pointed out that, in order to return the FEUC to the university students, they need to actively support the contribution of independent students.

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CSO: 3348/503

CHILE

BRIEFS

HUMAN RIGHTS EDICT SCORED--The resolution imposing new restrictions on the freedom of assembly, which was released a few days after UN special observer Fernando Volio submitted his report on Chile to the United Nations, has been labeled by Chilean union leaders as a serious setback in the field of human rights. Manuel Bustos, president of the National Union Coordinating Board, believes that the edict released today intends to create greater conflict in the country. For his part, Rodolfo Seguel, president of the National Workers Command, has said that this represents the government's response to the United Nations. [Begin Seguel recording] This is a response to the United Nations. This is a response to Fernando Volio Jimenez' report in which he has stated that human rights or the people's liberties are not respected in our country. [End recording] Jorge Pave, president of the Chilean Teacher's Union Association, also voiced his opinion. [Begin Pave recording] It reveals the government's fear, specifically regarding our sector, in view of the clear and obvious unrest which is surfacing throughout the Chilean teachers sector. This unrest is becoming visible because the government has failed to respond, year after year, to the Chilean teacher's legitimate demands. [End recording] [Excerpts] [Santiago Radio Chilena in Spanish 2300 GMT 4 Apr 86] /9604

POLICE REPRESSES HOMELESS IN SANTIAGO--Hundreds of homeless people who were occupying empty lots on the outskirts of Santiago, Chile, were repressed by the police. Thirty people were wounded and 12 arrested. During their repressive actions, the regime's police used rubber bullets, pellets, water hoses, teargas, air surveillance, and armored personnel carriers. The resident's metropolitan coordinating board, organization that represents the low income neighborhoods of the city, said that the repressive action was against approximately 500 people who had set up their camp on land that is part of the university campus. Chile is currently experiencing a deficit of 700,000 homes. This situation is getting worse as is seen in the case of the 300 families who, since Sunday, set up their camp around the university grounds to demand a solution to their housing problem. [Text] [Havana International Service in Spanish 1600 GMT 7 Apr 86] /9604

TRUCK DRIVERS BLOCK HIGHWAY--Traffic on Highway No 5 at the intersection of the Rio Maipo Bridge was cut off today for 2 hours. Early this morning trucks blocked traffic going south and north. Carabineros went to the scene of the incident and reported that about 70 passenger buses and trucks were blocking traffic. Therefore, the drivers of the vehicles were arrested at the 14th Carabineros police station, but were later released. Police reported that traffic on Highway No 5 was back to normal as of 0900 am. After holding a meeting with the local military zone chief, Major General Osvaldo Hernandez, the president of the Metropolitan Truck Owners Confederation, Hector Moya, was interviewed by RSN [Santiago Domestic Service]. [Begin Moya recording] The main reason for this movement was to protest the fines that are issued by the Internal Revenue Department because of [irregularities] on the freight bills of the cargo we transport. This is a problem that has been going on for some time now. Unfortunately, these fines are against the truck driver. Since these fines are not submitted to the local court but to the Treasury Department, the treasury is sending inspectors to the drivers' homes and proceeding to embargo their property. [End recording] [Excerpts] [Santiago Domestic Service in Spanish 1700 GMT 7 Apr 86] /9604

BISHOP DENIES CHARGES--La Serena Archbishop, Msgr Bernardino Pinera, denied charges from France that the contributions of money made by French Catholics are used for political activities in Chile. [Begin Pinera recording] The money that Catholics from other countries send us, Chilean bishops, is invested in pastoral activities, for social assistance purposes, but not for political activities. [End recording] Msgr Pinera said that if political groups obtain financial support directly from abroad that is another story but that the bishops have nothing to do with it. [Excerpt] [Santiago Radio Chilena in Spanish 2300 GMT 1 Apr 86] /9604

STUDENT LEADERS ARRESTED--Santiago, 9 Apr (AFP)--More than 20 student leaders were arrested today in Santiago during a demonstration against General Augusto Pinochet's regime. According to organizers, the demonstration was repressed by the Carabineros forces. Hundreds of students from the Catholic University of Santiago congregated near Government House to demand the resignation of Education Minister Sergio Gaete and the lifting of the restrictions imposed on the academic centers. The police used tear gas and powerful water cannons to disperse the protesters on Liberator Bernardo O'Higgins Avenue, downtown. The Carabineros arrested all the leaders of the demonstration including Tomas Jocelyn Holt, president of the Federation of Catholic University Students [FEUC]. [Text] [Paris AFP in Spanish 2009 GMT 9 Apr 86] /9604

MATTHEI CONDEMS 'DESTABILIZING CAMPAIGN'--Santiago, 8 Apr (AFP)--Chilean Air Force (FACH) Commander in Chief General Fernando Matthei today charged that there is a worldwide campaign to destabilize democracies everywhere. Matthei, a member of the government junta, said he included the Chilean Government among the democracies because, although it is not entirely democratic, it is absolutely determined to lead the country to a democratic system. The FACH Commander in Chief was interviewed after an agent of the militarized Carabineros police was kidnapped by four unidentified armed

individuals this morning. No one has claimed responsibility for the attack. Matthei said that those who are promoting terrorism as a way to install democracy in Chile are not aware of what is happening in the world. Matthei added that neighboring countries are being hit by violence despite their democratic governments. Thus, these actions are not aimed at a military system. [Excerpt] [Paris AFP in Spanish 0157 GMT 9 Apr 86] /9604

WORLD BANK LOANS--The World Bank has granted two loans, for \$66 million, to Chile. The credits will be earmarked for improving the sewage system and the water-supply service in Santiago and Valparaiso, which were damaged by an earthquake in March 1985. [Summary] [Santiago Domestic Service in Spanish 1100 GMT 5 Apr 86] /9604

COPPER COMMISSION REORGANIZATION--The managing directors of the Copper Corporation [CODELCO], General Patricio Torres, and of the National Mining Enterprise [ENAMI], Major General Rigoberto Rubio Ramirez, retired, will be dismissed from these posts. This measure, which will be implemented within the next few days, is part of the reorganization of the Chilean Copper Commission and the new emphasis that the government wishes to grant to the enterprises linked to the mining sector. This announcement was made by a highly reliable Mining Ministry source, which noted that the changes began when Patricio Jarpa Nunez replaced General Ruben Schlinder as deputy executive manager of the Chilean Copper Commission. [Excerpt] [Santiago Radio Chilena in Spanish 2300 GMT 2 Apr 86] /9604

FRENCH AMBASSADOR ON DEMOCRATIZATION PROCESS--Paul Auguste German Depis, the French ambassador to Chile, has stressed that his country hopes that Chileans can achieve the democracy they desire. The diplomat made this statement at the end of a meeting with Lieutenant General Julio Canessa at the Diego Portales Building. The ambassador also stated that his meeting, with the member of the Government Junta, comes within the framework of a courtesy visit which, he said, is part of dialogue. Ambassador Depis stressed that diplomatic relations between the two countries are currently normal. Asked about the French Government's position regarding Chile's democratization process, the diplomat said: [Begin Depis recording--in Spanish] Yes, we are waiting and we express our best wishes, we pray, that the Chileans will be able to achieve the democracy that they desire. The building of their country by Chileans is a Chilean affair. [End recording] Finally, the ambassador was asked for his opinion on remarks by New Zealand legislator, who termed ridiculous France's position regarding the nuclear tests on the Mururoa Atoll. After rejecting the legislators remarks, Depis stated that flies do not enter a closed mouth. [Text] [Santiago Radio Chilena in Spanish 2300 GMT 3 Apr 86] /9604

CSO: 3348/503

COLOMBIA

BRIEFS

MILITARY GUN SMUGGLING--Bucaramanga, Colombia, 3 Apr (DPA)--Two active duty Colombian military men belonging to the 5th Army Division were sentenced to a total of 154 months in prison for smuggling weapons for the exclusive use of the Armed Forces. Sentenced were Captain Guillermo Ramirez Suarez and Deputy First Sergeant Sebastian Cordoba Mosquera who will have to stay in the Model Jail of Bucaramanga for 154 months. The two military men were the only ones awaiting trial, as in mid-February an Army officer, two noncommissioned police officers, all retired, and a civilian, were sentenced for the same crime. [Text] [Hamburg DPA in Spanish 1931 GMT 3 Apr 86] /9604

1986 COAL SALES--CARBOCOL [Colombian Coal, Inc.] and INTERCOR, the two concerns that exploit the Cerrejon coal mine here in La Guajira, have stated that the drop in oil prices is not affecting the sales of Colombian coal and that, on the contrary, the international demand for future deliveries is already taken care of. Estimated sales for this year range between 5.5 and 6 million tons, which will represent gross revenues of approximately \$2 billion because these future sales were contracted at prices that range between \$36 and \$39 per ton. Denmark, the United States, Ireland, Finland, Greece, and Spain are our largest buyers this year. [Summary] [Bogota Television Service in Spanish 1730 GMT 21 Mar 86] /9604

OIL REFINERY UNIT INAUGURATION--On 11 April, President Belisario Betancur will inaugurate a new combined distillation unit (CDU) at the Barrancabermeja industrial complex. The new unit will increase the country's refining capacity by 10,000 barrels per day. The new unit has a refining capacity of 24,000 barrels per day, replacing a 14,000 barrel per day unit. It cost \$1.7 billion and was completed in 7 months. [Summary] [Bogota EL TIEMPO in Spanish 5 Apr 86 p 6-A] /9604

CSO: 3348/502

COSTA RICA

3,000 CENTRAL AMERICANS POLLED ON THREATS TO REGION

San Jose LA NACION in Spanish 2, 3 Mar 86

[2 Mar 86 p 8A]

[Text] Survey Method

The study was made by the Interdisciplinary Information Bureau on Development (CID) in Costa Rica, Honduras, El Salvador and Guatemala.

In the specific case of Costa Rica, 800 individuals were interviewed. They were divided geographically into two groups: the metropolitan complex and towns with 10,000 inhabitants or more, such as San Ramon, Liberia, Ciudad Quesada, San Isidro de El General, Torrialba, Limon and Siquirres.

In El Salvador as well, 800 individuals were selected. They were divided into two large areas, San Salvador and the neighboring urban areas, such as Mexicanos, Delgado and Ilopango, and towns with 10,000 inhabitants or more. However, because of the political situation existing in that country, some cities in the eastern part of the country, such as La Union and Morazan, originally included in the sampling, were replaced. Among the places visited were Atiquizaya, Santa Ana, Sonsonate, Nueva San Salvador, Cojutepeque, Ilobasco, and San Miguel.

The division in Honduras, where 900 persons were interviewed, was as follows: 300 interviews in Tegucigalpa, and the other 600 in San Pedro Sula and towns with 10,000 inhabitants or more. The towns where interviews were carried out included Choluteca, La Ceiba, Tela, Choloma, Santa Rosa de Copan, Juticalpa, El Progreso and Comayagua. Some localities in the southern part of Honduras were excluded.

In Guatemala, 800 individuals were interviewed. These interviews were carried out in the capital and in towns with 10,000 inhabitants or more. In addition, towns such as El Peten and Alta Verapaz were replaced. Among those selected were Antigua, Chimaltenango, Escuintla, Quezaltenango, Retalhuleu, Zacapa, Chiquimula and Juticapa.

Those conducting the interviews had completed secondary schooling, at a minimum, and had experience in conducting interviews of this nature.

Supervision was provided by means of various procedures immediately following the interviews, as well as personal and telephone interview repeats.

In the cities outside Costa Rica, the greater portion of the supervision followed the interviews immediately, involving repeat interviews to a lesser extent. The reason for this was the fear existing in other countries due to the prevailing repression, both from the right wing and the left, and in the case of Honduras, the army recruiting of young people. Despite the above, a minimum of 30 percent supervision was guaranteed.

The CID is an organization which is a part of the Gallup International Research Institutes (GIRI), and Dr Carlos Denton and Oida Maria Acuna were responsible for coordinating the surveys.

A public opinion poll taken in Honduras, El Salvador, Costa Rica and Guatemala by the Interdisciplinary Information Bureau on Development (CID) indicated that 73 percent of the Central American people regard Nicaragua as a threat.

Also, the nation dominated by the Sandinistas is regarded as the main cause of the tension felt on the isthmus. It is also believed that the other serious problems affecting the region are the foreign debt, drug smuggling and the drop in the prices of export products, as well as the situation created by the refugees.

Nicaragua poses a military threat to their countries, 92 percent of the Costa Ricans, 89 percent of the Hondurans, 63 percent of the Salvadorans, and 48 percent of the Guatemalans indicated.

It is also obvious that they regard Cuba in the same way. This opinion is shared by 25 percent of the Costa Ricans, 17 percent of the Hondurans, 42 percent of the Guatemalans and 33 percent of the Salvadorans.

It could be seen also that, although the percentages were smaller, the Soviet Union too is viewed as a danger to the nations on the isthmus.

Where the United States is concerned, those regarding it as a threat represented a smaller percentage. Only 4.5 percent of the people of Central America view it thus.

The poll showed that the majority of the Costa Ricans and Hondurans, and more than a third of the Guatemalans and Salvadorans, think that a military attack from another country, and more specifically, from Nicaragua, is probable.

This belief has increased over the years. In 1983, for example, 28 percent of the people in Guatemala regarded such a situation as probable, while by the second half of last year, when this poll was taken, the proportion had increased to 41 percent.

In Honduras in 1983, 50 percent expressed this view, while 2 years later, this figure had increased to 76 percent. In that earlier year, 30 percent of the people in Costa Rica regarded an attack as possible, while in 1985 this figure had increased to 62 percent.

## Destabilization

While Nicaragua is viewed as the main agent of tension on the isthmus, it is also regarded as the source of the efforts to destabilize the governments in the region.

In Costa Rica, 70 percent of those interviewed expressed this view, as did 63 percent of those in Honduras and 52 percent of those in El Salvador. This view was expressed by 27 percent of those interviewed in Guatemala.

Second place as a destabilizing agent went to Cuba, and third to the Soviet Union.

It is notable that 16 percent of the Hondurans expressed the view that El Salvador might destabilize their government, although only 1 percent said that this might happen in El Salvador itself.

Although the figure was low, 6 percent of the Costa Ricans expressed the view that Mexico too might seek destabilization.

The countries seen as responsible for the situations of conflict experienced in the region were, in order, Cuba, Nicaragua and the Soviet Union.

They were viewed as the sponsors of the communist ideology, as well as the suppliers of weapons to the guerrilla forces and military training for the rebels.

The United States was also viewed as trying to impose an ideology, to support right-wing dictatorships and to transfer weapons.

The negative perception of Cuba is strongest in Guatemala, where approximately 42 percent of those interviewed said that it is to blame for the situation of conflict on the isthmus. In Costa Rica, approximately 39 percent of those questioned expressed the view that the main blame lies with Nicaragua.

## El Salvador

The Central Americans mentioned Cuba, the Soviet Union and Nicaragua as the sources providing arms to the rebels fighting in El Salvador.

In the specific case of this last-mentioned country, 70 percent of those interviewed said that the Sandinistas are providing the rebels with weapons, 67 percent expressed the view that it is Cuba and 38 percent said it is the Russians.

In Guatemala, 60 percent of the people believe that Cuba is doing this, while 55 percent of those in Honduras share this view, as do 53 percent of those in Costa Rica.

The belief of the majority is that without Cuban and Nicaraguan support, there would be no civil war in El Salvador.

This, for example, was the view expressed by 55 percent of the Costa Ricans, 76 percent of the Hondurans, 59 percent of the Guatemalans and 46 percent of the Salvadorans.

Now, 41 percent of the Costa Ricans expressed the view that there would be civil war in El Salvador without Cuba and Nicaragua, and this view was shared by 19 percent of the Hondurans, 35 percent of the Guatemalans and 37 percent of the Salvadorans.

[3 Mar 86 p 6A]

The majority of Central Americans approve of the aid the United States is providing to the rebels fighting against the Sandinist government.

This was revealed by a public opinion poll taken by the CID in the second half of last year in Honduras, El Salvador, Costa Rica and Guatemala. In all, 3,300 persons were interviewed. In each of these nations, 800 citizens were questioned, except in Honduras, where the sampling included 900 people.

Similarly, there is substantial support in all four nations for the presence of U.S. military advisors in Costa Rica to train our Civil Guard.

The majority of those interviewed also approved of the support provided by the government of the United States to that of El Salvador.

In Honduras, moreover, the question as to whether those interviewed supported the holding of joint military maneuvers by the U.S. Army and the army of that country was asked. Of those interviewed, 80 percent approved.

#### Aid to Contras

It is in Costa Rica that the most support for the aid the U.S. is providing to the Nicaraguan counterrevolutionaries was voiced.

In Costa Rica, 69 percent of those interviewed said this aid is important. This view was shared by 54 percent of the Guatemalans, 55 percent of the Hondurans and 52 percent of the Salvadorans.

On the other hand, 24 percent of the Costa Ricans opposed this collaboration, as did 25 percent of the Hondurans, 22 percent of the Guatemalans and 19 percent of the Salvadorans.

#### Military Advisors

The presence of the military advisors in Costa Rica, on the other hand, is also supported by the majority of Central Americans.

In connection with this aid, 86 percent of the 800 individuals interviewed in our country said that they favor it. This view was shared by 82 percent of the Hondurans, 65 percent of the Guatemalans and 55 percent of the Salvadorans.

Opposition to the advisors was voiced by 12 percent of the Costa Ricans, 11 percent of the Hondurans, 23 percent of the Guatemalans and 14 percent of the Salvadorans.

On this subject, 31 percent of the Salvadorans did not respond at all.

#### Support

Similarly, support by the people of Central America for U.S. aid to El Salvador was also evidenced. The increase in the amount of support over that expressed in a similar survey in 1983 was considerable, particularly in Costa Rica and Honduras.

In our country, 65 percent of those interviewed said they support the U.S. decision. Two years ago, only 39 percent voiced such support.

In Honduras, 72 percent of those interviewed said they support the collaboration of Ronald Reagan's government with that of Jose Napoleon Duarte. In 1983, only 41 percent supported this aid.

This view was shared by 61 percent of those interviewed in Guatemala, and the support was even greater in El Salvador, with 75 percent saying they support U.S. cooperation with their country.

#### Favorable Opinion

The results of the survey showed that in general, the perception of the United States in these four nations is favorable.

The support in Costa Rica was almost unanimous, since 95 percent of those interviewed indicated support of this nation, and only 3 percent expressed opposition.

In Honduras, 92 percent of the citizens support the United States, while 6 percent voiced a contrary opinion. In Guatemala, the favorable opinions totaled 86 percent, while those unfavorable came to 13 percent.

In El Salvador, 93 percent of the citizens support the United States, while 5 percent oppose it.

5157

CSO:3248/281

ECUADOR

BRIEFS

OIL EXPORT LEVELS MAINTAINED--Quito, April 2, REUTER--Ecuador has been able to maintain its crude export levels despite the price fall in the international market, the government said today. "The (price) crisis is worrying us but it can be handled," Information Minister Patricio Quevedo told journalists. Ecuador has been able to maintain its market share at a normal level of 121,000 barrels per day (BPD) for long term delivery and is negotiating further sales of 22,000 barrels, the Energy Ministry said in a statement. It added that the adoption of a flexible negotiating policy has made it unnecessary to sell oil on the spot market. Ecuador, a member of the Organisation of Petroleum Exporting Countries (OPEC), produces 300,000 BPD and is currently selling its crude at around \$11 per barrel, as against an average of \$26 in 1985, official sources said. Profit loss [as received] is officially estimated at between \$60 to \$65 million for every dollar fall in the international market. Ecuador depends on oil for 60 percent of its income. United Arab Emirates Oil Minister Mani' Ibn Sa'id al-'Utaybah warned this week that oil prices could fall as low as \$5 if the OPEC cartel failed to agree on output cuts to mop up the glutted market. [Text] [Buenos Aires REUTER in English to REUTER London 2320 GMT 2 Apr 86 PA] /8918

CSO: 3300/74

GUATEMALA

DEFENSE MINISTER ON GUERRILLAS, PATROLS, LOCAL GOVERNMENT

Guatemala City EL GRAFICO in Spanish 19 Feb 86 p 3

[Text] Guatemala City, 19 Feb--The guerrillas are currently operating in three departments, National Defense Minister Gen Jaime Hernandez reported yesterday at his first press conference, which was held in his office.

General Hernandez said that the guerrillas (or the subversive terrorists, as the army calls them) are to be found in the department of El Peten, in the department of El Quiche (especially in the northern section, military zone No 22, Playa Grande) and in the department of San Marcos.

The defense minister said that in all of these departments the operational commands have the subversives under control.

First Month's Activities

The defense minister talked about the activities of the army and of the subversives during the 1st month and 4 days of the present administration. He said that the "enemy" had suffered six casualties, the army four (troops) and the civil self-defense patrols three during this period.

During this same period, the minister said, 110 refugees have been received in the department of El Quiche, while another 101 were headed for Huehuetenango and San Marcos from Mexico on the afternoon of the 14th of this month.

Three Months to Decide on Patrols

The defense minister also mentioned that President Vinicio Cerezo has set a 3-month deadline for deciding what to do with the civil self-defense patrols.

He stated that some people have advocated dissolving the patrols. The army, however, feels that they have been genuinely helpful in controlling subversion.

Nevertheless, he added, the president of the republic stated publicly that during his campaign he learned that several towns do not want the self-defense patrols, while a great many others do want them.

He went on to say that the president has set a 3-month deadline for consulting with the townspeople to gather the information that he needs to make a decision about the patrols.

#### Governors and Coordinators

The defense minister also talked about the possibility of the departmental governors taking over the institutional coordinating boards, which the military commanders of each zone are now in charge of.

He said that efforts are under way to give the departmental government staffs the tools they need to do the coordinating work, adding that whoever is elected governor must be capable of running an institutional coordinating board.

8743  
CSO: 3248/296

GUATEMALA

REFUGEES RETURN, OCCUPY MODEL COMMUNITIES

Guatemala City PRENSA LIBRE in Spanish 1 Mar 86 p 14

[Text] Groups of refugees who were living in Mexico continue to return to Guatemalan communities. After receiving medical checkups to determine whether they are carrying any diseases, they are incorporated into the various model communities, the official spokesman of the Guatemalan Army, Capt Fernando Cifuentes, said yesterday.

The most recent group of Guatemalan refugees returning from Mexico comprised 101 persons. They were given shelter in military zone 19, headquartered in Huehuetenango, Captain Cifuentes reported. The same number of people had arrived in the El Quiche military zone just a few days before.

Preparations are currently under way to stock the Huehuetenango, El Quiche, San Marcos and other military zones with enough food and medicine to receive the apparent flood of Guatemalans who have begun to leave the refugee camps on the Mexican side of the border. The refugees have started returning because they have heard that the civilian government of President Cerezo has given every assurance that they can live and work in peace, inasmuch as the army has subversion, which is primarily to blame for the exodus, under control, Captain Cifuentes said in conclusion.

8743  
CSO: 3248/296

GUYANA

HOYTE ADDRESSES FUEL SHORTAGE, CITES LINK TO EXPORTS

FL241526 Bridgetown CANA in English 1506 GMT 24 Mar 86

[Text] Georgetown, 24 Mar (CANA)--Guyana's President Desmond Hoyte says the present fuel shortage here is linked to the cessation of shipments of bulk rice to Trinidad and Tobago, which covered some of the cost of oil imports from Port-of-Spain.

In a weekend radio address, he said that under the arrangement Guyana has with Trinidad, the government here pays the difference between the value of local rice exports and Trinidadian oil imports in hard currency but that with the cessation of rice exports last December, the government now has to cover the full oil costs.

A major component of our present problem with fuel is the relatively sudden, temporary unavailability of the Trinidad and Tobago market for our rice exports, Hoyte said. Since we are exporting no rice to Trinidad and Tobago, we have to find hard currency at the same time that we have to make payments for petroleum products.

Very often, even though we need fuel supplies urgently, we cannot import them until we receive our sugar receipts and are in a position to pay.

He said discussions were continuing with Trinidad and Tobago with a view to remedying the situation, but in the meantime arrangements were in place to ensure the country had enough supplies for at least another month.

The fuel crisis, also linked to the country's severe foreign exchange shortage, has resulted in long lines at petrol stations and electricity rationing.

Hoyte said the government was pressing ahead with efforts to find new markets for local rice, and announced new export contracts with Holland. Shipments have already begun.

He also announced that contracts to export packaged rice to Jamaica had been concluded and that shipments had started. The re-entry into the Jamaican market is particularly hartening in view of the fact that for the past four years or so, that market was unavailable to us, Hoyte said.

With regard to the resumption of exports to Trinidad, he said negotiations had advanced significantly with the national milling company of Trinidad and Tobago for a new contract.

However, there are still unresolved areas and negotiations are continuing. It is of great importance for Guyanese to remember that we always exported rice to Trinidad and Tobago under special arrangements at a particularly remunerative price, Hoyte said.

/9274  
CSO: 3298/391

GUYANA

BRIEFS

PNC ON JAGAN ACTIVITIES--Georgetown, March 27, Cana--The ruling People's National Congress (PNC) said today it deplored the what it called the frequent absence from Guyana so far this year of Opposition Leader Cheddi Jagan. The party expressed the hope that Dr Jagan, leader of the People's Progressive Party (PPP) will devote at least some of his time and energies to serving the people of Guyana. "If there is anyone who ought to feel like a stranger in his own country it is Dr Jagan," the PNC said. The year is barely 84 days old and the PPP General Secretary has been out of the country for more than half of this time--45 days to be exact. Such a record of jet-hopping would have been understandable for a man of leisure, but is totally unacceptable for one who holds a high constitutional office which carries important responsibilities," the PNC statement said. Jagan recently made an extended trip to Moscow, where he attended a Congress of the Soviet Communist Party, and missed the annual budget debate in Parliament. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 28 Mar 86 p 14] /9274

CSO: 3298/391

HONDURAS

**MONTOYA FAVORS CONTINUED U.S. MILITARY PRESENCE**

San Pedro Sula LA PRENSA in Spanish 6 Feb 86 p 3

[First paragraph is LA PRENSA introduction]

[Text] Tegucigalpa--"We have the unconditional support of the United States and the Armed Forces for the normal development of the government headed by engineer Jose Azcona," said the president of Congress, Carlos Orbin Montoya.

Montoya revealed that the unconditional support for this government will enable it to work to benefit the national economy.

He added: "We are not opposed to private enterprise participating in this administration since social stability in the country is the responsibility of all Hondurans. Businessmen must be given considerations and special treatment, providing them the foreign currency needed for the proper development of productivity."

He said that investment guarantee laws will be implemented since the social problem is strictly economic. They must find solutions to the problems in the banana sector and other export sectors in the country.

In Montoya's opinion, the public sector would do everything possible, lowering interest rates and providing foreign currency, so that the private sector could provide more jobs.

Foreign currency will be guaranteed and smuggling, a serious problem for national businessmen and producers, will be fought.

**Lopez Reyes Did Not Cause Crisis, Government Solid**

Montoya said that General Walter Lopez Reyes' irrevocable resignation as commander in chief of the Armed Forces cannot cause an institutional crisis because we have a solid government emanating from the expressed will of the people.

He feels that the people and the Army are united now because the officers controlling the destiny of the military institution are people with firm

convictions. They have offered their support to the current regime so no problems are expected.

He added: "Our only problem at this time is unemployment. If this is overcome, the Nicaraguans will find a government and people resolutely prepared to demand respect for sovereignty."

According to the president of Congress, the alliance with the United States must be based on dignified cooperation and respect for national sovereignty. He said that the presence of U.S. troops proves to the Honduran people that we are not alone facing Nicaragua. There is no known Marxist government that is not expansionist. He explained that totalitarian governments cannot be consolidated so they try to interfere in other countries. Honduras is one of the weakest nations due to its unemployment and illiteracy. However, its Armed Forces backed by the mutual pact guarantee that we will not be attacked.

#### Circumstances Not Right for War with Nicaragua

In Montoya's opinion, the circumstances are not right for a war with Nicaragua simply because "we solve the problems of the politicians and the military takes care of military problems."

He pointed out that the Nicaraguan Revolution is several years old but so far there has not been a conflict between nations. The United States supports those who oppose the Sandinists. These thousands of armed men plan to overthrow Sandinism unless that government proposes another revolutionary model.

He said that this is an internal problem, not an international problem. Otherwise, Central America might become a Vietnam. Who knows who would put out the fire because of the international consequences it would generate in the area?

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HONDURAS

PEASANTS SEEK ARMED FORCES SUPPORT ON AGRARIAN REFORM

Needs Outlined

Tegucigalpa LA TRIBUNA in Spanish 10 Feb 86 pp 8-9

[Passages enclosed in slantlines printed in boldface]

[Text] The Armed Forces have strongly supported the peasants' demands to expedite the implementation of a comprehensive agrarian reform program, stated rural leaders. They cited a note sent to Col Efraim Lisandro Gonzalez, interim commander in chief of the Armed Forces, and his response to that note.

The National Union of Peasants (UNC) last 21 January explained to the Office of the Commander in Chief of the Armed Forces the points it thought should be taken into consideration by the present administration. A positive response was received, according to leaders of that organization.

Col Gonzalez mentioned, among other things, "the urgent need to carry out a comprehensive agrarian reform program in which all activities of state institutions converge to provide effective support for the programs designed for that purpose."

Here are the texts of the two notes:

Note from Peasants

As a result of our meeting of Monday, 18 November, we are submitting for your consideration our opinions of the agrarian reform process, and our position on the policies and strategies that should be adopted to ensure that agrarian reform beneficiaries will be able to improve their standards of living in the near future.

General Aspects:

--Pursuant to the provisions of Article 4 of the Agrarian Reform Act, the peasant as an individual is supposed to fulfill the functions of landowner, businessman and worker.

--Agrarian reform is an essential part of the overall strategy for national development.

--A key objective is the establishment of a system of land ownership that guarantees the peasant family a fair income for its maintenance and development, based on the cultivation of marketable products which arise out of the productivity of all means of production.

--The improvement of production and productivity among the beneficiaries of agrarian reform would contribute significantly to reducing unemployment, curbing migration from the countryside to the city, and finally infusing money into the national economy and generating foreign exchange through those agricultural, livestock or industrial holdings that produce exports.

#### Determining Factors

1. Adjudication of lands suitable for cultivation, with a high demand on the national and international markets.
2. The adjudication of lands should take into consideration which areas or regions have the most agronomic potential for those products which promise satisfactory yields to the peasant group as /"producer."/
3. It should be clearly stipulated that the peasant group as "producer" should receive all the profits generated by the product from the time it leaves the holding, estate or parcel, until it reaches the final consumer.
4. The above means viewing the farmer's efforts from a global perspective, from the adjudication of suitable land, accompanied by timely credit, efficient and specialized technical assistance, and the direct purchase of inputs and implements, to the point at which the product, whether in raw or processed form (agroindustry), is brought to the consumer through the farmer's own marketing channels.
5. The national markets for agricultural products should be supplied directly by the producing groups so that the consumer will be assured of quality products at reasonable prices. This would mean eliminating the middleman, the /"subject"/ which so far has benefited most from the system.
6. The peasant group as producer assumes all the risks involved in the cultivation and harvesting of the product. Nevertheless, the other participants in the system--a) the financier; b) the seller of fertilizers, seeds, insecticides, tools, machinery, pipes, etc.; c) the purchasing middleman ("coyote"); and d) the large agroindustrial purchasers of concentrates for animals or of other products--are those who receive the highest profits without running any risk. They invest capital only temporarily in a quick sales transaction, with a coercive advantage over the peasant producer group, which out of /necessity/ must accept such terms (prices).
7. According to the above criteria, the agrarian reform projects must be structured on the basis of the domestic and foreign markets, and their

development must allow for the vertical and horizontal integration of the economic activity in which the peasant group (rural agroindustries) is engaged. The availability of land, efficient technical assistance, timely credit and low yields, marketing and agroindustry must be taken into account.

8. Training must be planned in accordance with economic projects that have a guaranteed market and can ensure the development of administrative, technical and social skills in the group, and above all the effective participation of the peasant.

9. The adjudication of lands must follow an economic criterion with respect to the market, the type of crop, productivity, the number of hectares and the number of beneficiaries. Everything must be oriented toward production; in other words, the adjudication should take place first, and then payment for the deed should be a consequence of the feasibility of the group's economic project.

10. With regard to the size of the parcel to be adjudicated, the agrarian reform process should meet the needs of the group as a cooperative or settlement. That is, the concept of working the land collectively should be given priority, and at no time should the /"individualization"/ of the agrarian reform process be promoted. Rather, /"collectivization"/ as an economic and social unit should be encouraged, and the concept of a self-managed business should be implemented.

11. The concept of agroindustrialization with intermediate technologies should be a key element in the development process that takes place in the rural sector through agrarian reform. It should be oriented toward the production of basic goods through collective (producer) groups.

12. Training should be geared to increasing the productivity of all the producing group's means of production, and should be regionalized and specialized in accordance with the agronomic advantages of the particular crop.

The policies and strategies contained in the aforementioned determining factors should be considered by the Armed Forces pursuant to Article 272 of the Constitution of the Republic of Honduras. One essential element is assistance in defining and locating markets and establishing marketing channels that benefit the producer as a collective group. In addition, it should be possible for all the inputs for cooperatives, settlements or agrarian reform beneficiary groups to be channeled through agencies created by the peasant organizations themselves.

The peasant organizations should participate directly in defining policies, strategies, programs and projects with respect to agrarian reform. In this regard, the Peasant Federations that represent the country, and especially the UNC, should receive support in bolstering their organizational capacity and their membership.

It is recommended in particular that organizational methods be devised for the direct channeling of funds through the Peasant Federations, the only way to

guarantee that the peasants will be the true beneficiaries of the programs and assistance in the agrarian reform process.

Only by strengthening the rural areas with small agroindustries and ensuring national and international markets for wintertime products or non-traditional crops can we generate employment and national security.

The Agrarian Reform Act is well conceived, and what is required is a revision of the procedures for its execution. Most importantly, the government must clearly define its policy on this matter.

At present, land is being recovered through the negligence of the executive branch and the other agencies in charge of agrarian reform, which have failed to lay down a policy that satisfies the demands of landless peasants.

Furthermore, the Armed Forces have the duty and the power to cooperate with programs in the fields of literacy, education, agriculture, natural resource conservation, highways, communications and agrarian reform. For this reason, we respectfully request the following of Your Excellency in your capacity as chief of the Armed Forces of Honduras, Brig Gen Walter Lopez Reyes:

1. That you cooperate with the president of the republic in his capacity as head of agrarian policy so that he, pursuant to Article 348 of the Constitution of the Republic, may define an agrarian reform program that involves the active participation of the legally recognized peasant, farmer and rancher organizations and that benefits the peasants in the reformed and non-reformed sectors. Thus, they would be provided with enough suitable land for farming, a rural housing program, efficient credit assistance, education aimed directly at the reformed sector, and a health program with sufficient medicine (because we cannot expect good production from sick and undernourished farmworkers, and businesses cannot be well managed by untrained people).
2. That when land is recovered, there be no violent evictions. First, an understanding must be reached among the authorities of the National Agrarian Institute (INA), the Armed Forces, and executives of the UNC, upon investigation of the lands to determine whether or not they are subject to appropriation under agrarian reform.
3. That the Armed Forces supervise the activities of the government institutions involved in agrarian reform for the purpose of giving us peasants the opportunity to choose and propose the ideal people to direct these institutions.
4. In cases of Obligatory Military Service, although we are willing to cooperate, we ask that before recruitment takes place an education and information program be launched to alleviate the fears and uncertainty of recruits.
5. That the Armed Forces coordinate their support for the activities of our agricultural enterprises in areas such as the transportation of our products

when we have to take them to market, and of inputs and other components, as long as the quantities are regular.

We ask that we be given cooperation and support in infrastructure projects for peasant settlements and housing projects.

Sincerely,

Felicito Avila Ordonez, General Central Organization of Workers (CGT)  
Secretary General

Marcial Reyes Caballero, UNC Secretary General

Victor Inocencio Peralta, Assistant Secretary General

Esteban Henriquez, Organization Secretary

Marco Tulio Cartagena, Finance Secretary

Armed Forces Respond

Tegucigalpa LA TRIBUNA in Spanish 10 Feb 86 p 9

[Text] Upon analyzing the document which was received by this Office of the Commander in Chief on the 21st of this month, I would like to express to you my appreciation for the confidence you have in our Armed Forces, as evidenced by the fact that you have conveyed your concerns and hopes for finding a solution to the agrarian problems that affect our many rural compatriots.

Regarding the general points covered by your document, the Armed Forces completely agree with you that agrarian reform is an integral process and an instrument for the transformation of the country's agrarian structure. It can guarantee social justice in the rural sector and boost production and productivity in the agriculture and livestock sector, ensuring the effective participation of peasants on an equal footing with the other sectors of the population that are involved in the country's economic, social and political development.

The determining factors entailed in an effective agrarian reform process are outlined very clearly in your document, and you have made perfectly clear the vital role of the peasant as both businessman and producer. Hence the urgent need to carry out a comprehensive agrarian reform program in which all activities of state institutions converge to provide effective support for the programs designed for that purpose.

Technical assistance, training, credit and marketing form the foundation upon which modern agrarian reform programs are based, and I am certain that the new government, with the direct and significant participation of the peasants, despite limited available resources, will be able to handle and resolve many of the innumerable and complex problems that plague the farm sector.

The Armed Forces, as an integral part of the nation, will also continue to support and contribute to the efforts that the peasants are making in different sectors of the country to incorporate rural dwellers into production. For this purpose, it is also very important for the close ties with the sectors involved in this process to remain, so that the strategies, policies, programs and projects that must be carried out in these areas can be designed.

Furthermore, the Armed Forces will lend all the necessary support, within the limits of our possibilities and faculties, to those government institutions and social sectors which request our aid for the purpose of ensuring the full well-being of the Honduran people.

Regarding the specific requests contained in the document, I will refer to them in the same order that you stated them.

1. The Armed Forces have always cooperated and will continue to cooperate with the president of the republic in all activities aimed at carrying out effective and comprehensive agrarian reform.

2. When people are evicted from lands that they are occupying illegally, the Armed Forces, through the Public Security Force, act at the request of the state agency. We never take the initiative ourselves, and we assume that the state agency has exhausted all legal remedies required by law before making such a request. In this regard, I believe it is very important to maintain constant communication with the agrarian authorities for the efficient processing of the requests for land that are submitted to the various regional offices. I am certain that all these inconveniences and mishaps can thus be avoided.

3. The Armed Forces agree with you that the suggestions you make to the executive regarding the selection and proposal of the ideal individuals to manage agrarian policy should be taken into consideration. The Law on the Formation of the National Agrarian Council requires this.

4. With reference to Obligatory Military Service, I am very pleased that you are willing to cooperate when it comes time to render this honorable service to the fatherland. Although it is true that certain irregularities have taken place in recruiting, it is also true that our youths are already much more aware of their responsibility to fulfill this patriotic duty. Your help in promoting this attitude would be very welcome, so that the young men will go voluntarily to the units to which they have been assigned.

5. I am sure that the coordination of the government institutions responsible for the agrarian sector and the peasant organizations will guarantee a positive solution for the problem of transporting products.

I reiterate to you that the doors of this office will always be open to all of you, and that we will be most willing to engage in a cordial dialogue between the Armed Forces and the peasants in search of the paths that will lead to the advancement of our beloved Honduras.

Sincerely,

Infantry Col DEM Efraim Lisandro Gonzales Munoz  
Commander in Chief under Law EHO-0411

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HONDURAS

## 1989 PRESIDENTIAL HOPEFULS IDENTIFIED

### Parties Begin Race

San Pedro Sula TIEMPO in Spanish 10 Feb 86 p 12

[Text] Just a few days after Jose Azcona Hoyo's inauguration, a sordid struggle for the presidential nomination has already begun with an eye on the presidential elections of 1989. This applies to both the ruling party and the opposition National Party.

One of the current president's closest campaign advisers, Carlos Montoya, is known to have been launched as a presidential primary candidate in the city of Juticalpa, Olancho.

The unusual move just a few days after a new government has taken office has met with an outcry by strong Liberal sectors, as well as others, of course, who like Montoya have their own presidential aspirations.

One of the Azcona politicians who has publicly revealed his presidential aspirations, Jorge Maradiaga, has said that Montoya's candidacy represents a "betrayal" of President Jose Azcona Hoyo.

The regime of former President Roberto Suazo Cordova was harshly criticized by its opponents because he spent his entire 4-year term playing politics from the presidential mansion.

In those days, the presidential aspirations of his followers and collaborators began to emerge nearly 2 1/2 years after he took office.

Azcona Hoyo, in fact, was the first politician to sever his ties with the former chieftan of the Rodist movement, Roberto Suazo Cordova, to fight for his presidential candidacy against the leader's will.

The current president waged a battle for the presidency that lasted over 2 years. Now, 15 days after his inauguration, when he inherited a country facing tremendous economic and social problems, Carlos Orbin Montoya, president of the National Congress, has declared his own presidential candidacy.

A silent struggle for the presidential candidacy is becoming apparent on the political scene, and threatens to grow more heated in both the Liberal and National Parties. Meanwhile, Jose Azcona Hoyo has not even finished putting together his cabinet.

Well-informed political sources contend that the struggle within the Azcona camp now involves Montoya and Jorge Maradiaga, who is considered one of Azcona Hoyo's closest allies.

Within a few months, these "premature" presidential aspirants will surely be joined by others of the so-called Suazo Cordova movement. At present, they appear to be waiting expectantly to see who comes out on top in the Azcona camp.

The Nationalists are not to be outdone, and former presidential candidate Rafael Leonardo Callejas has already begun stumping throughout the country.

Callejas has been joined by the rector of the National Autonomous University of Honduras (UNAH), Oswaldo Ramos Soto, who has been appealing to various sectors for several months now, seeking support for his primary candidacy.

Former presidential candidate Fernando Lardizabal Guilbert has publicly announced that he is girding his loins to vie for the presidential nomination of the National Party.

So far Callejas has been waging a sordid campaign against Ramos Soto, claiming that Ramos Soto will split the National Party asunder if he publicly declares his candidacy. For the time being, he is campaigning quietly in the major towns of the country.

It has been announced officially that in the next few weeks electoral law reforms will be introduced in the National Congress, so that each of the political institutes will be able to elect its presidential candidate, appointees, deputies and municipal corporations in internal elections.

Jorge Bueso Arias, who ran for president on the Liberal ticket in 1970, commented on the presidential primary candidacies, saying that this is not the time "to think of individual ambitions." Rather, Hondurans should work to grapple with the country's economic and social ills.

"In my opinion, we need political tranquility to face the nation's problems, without thinking of the ambitions each of us has," stated the prominent politician.

Nationalist Deputy Mario Rivera Lopez stated that before any candidacies are announced, "the government should be allowed to take its first steps" in the administrative sphere.

Political observers believe that the premature announcement of candidacies will aggravate the internecine struggles in both the Liberal and National Parties, which are now sharing public administration duties.

These confrontations, they note, will logically be reflected in the progress of the Azcona Hoyo administration. Their impact will be felt in the President's Office, the National Congress, the Supreme Court of Justice, and the other ministries and decentralized state institutions whose responsibilities are shared by Azcona and Callejas followers under the pact reached by the two leaders.

It has been reported that National and Liberal deputies, anticipating the crisis that could be caused by this political struggle, are planning to submit a draft decree in Congress that would prohibit any candidacy announcements for at least 2 years.

This initiative is reportedly designed to prevent an all-out political battle among the candidates and internal political factions of the Liberal and National Parties in the next few months. Such carnage would seriously hamper the actions of the Azcona Hoyo administration.

Rivera Lopez stated that he does not agree with the announcements of presidential candidacies, because "we must work for the good of the country."

The politician also claimed that "we will not allow the National Party to be divided."

For now, we can only wait for the unraveling of the complex plot of Honduran politics, which had been expected to resolve itself with the departure of Roberto Suazo Cordova. When he left for La Paz, he had no idea his followers would already be producing the first fruits of unbridled ambition for attaining the presidential throne.

#### Archbishop Critical

Tegucigalpa LA TRIBUNA in Spanish 10 Feb 86 p 2

[Text] The archbishop of Tegucigalpa, Msgr Hector Enrique Santos, yesterday criticized the actions of "some political hacks" who are already working on succeeding President Jose Azcona before he has even finished installing his government.

Azcona took office just 14 days ago, on 27 January, and he has not yet appointed many of the people who will be working closely with him in governing the country, especially in the management and executive positions of most public enterprises.

Prominent leaders of the Liberal Party, however, are already vying to win their party's presidential nomination for the elections to choose the current leader's successor in November 1989.

The same thing is going on in the other traditional party in Honduran politics, the opposition (conservative) National Party. The most noteworthy candidate is the man who lost the 1985 presidential election, Rafael Leonardo Callejas.

Even the president of the National Congress, Carlos Montoya, has been mentioned as a presidential primary candidate for the elections that will take place 3 years from now.

Montoya's coreligionist Jorge Maradiaga, who is vice-president of the National Congress, is waging his own campaign to get the jump on Montoya. The latter has told his followers to "wait for me to give the go-ahead" before nominating him.

Minister of Natural Resources Rodrigo Castillo and Minister of the Presidency Celeo Arias, who was already a presidential designate, are also striving for the same goal.

In the National Party, meanwhile, in addition to Callejas another former presidential candidate from last year's elections, businessman Fernando Lardizabal, is also seeking the presidential nomination. Another aspiring candidate is the rector of the National Autonomous University of Honduras (UNAH), Oswaldo Ramos Soto.

The three are crisscrossing the country, visiting the major population centers and reportedly marshaling their forces to gear up for the municipal elections of 1987.

This political effervescence has been severely criticized by various national sectors, who feel that "the dust has not yet settled after the vigorous presidential campaign of last year." During that battle, the political ambitions of some leaders, especially the Liberals, came close to destroying the democratic process in Honduras, which had begun in 1980 with the elections held to form the National Constituent Assembly.

In his homily yesterday, Msgr Santos labeled the premature presidential candidates "political hacks," expressing "the hope that they and those afflicted with chronic candidatitis will try to leave the Honduran people in peace."

The message from the archbishop of Tegucigalpa, delivered at the onset of Lent, "which should be a time of abstinence and reflection," also contained harsh criticism of those who have already expressed their presidential aspirations.

"Feeding the voracious flames of political ambition at a time when a new government has just been inaugurated (on 27 January) means continuing to torture the same people who during this past election campaign lost much of their civic and Christian virtue," asserted Msgr Santos. He blamed the problem on "a few political hacks."

The Honduran election campaign of 1985 was not characterized by the most elevated discussions of political platforms or proposed solutions for the country's principal problems. Rather, it was punctuated by personal insults hurled from one adversary to the other.

The archbishop of Tegucigalpa closed his homily by expressing "The new Lent will serve to humble not only the common citizenry but also the politicians, so that they will mend their ways."

Effectiveness of Office 'Jeopardized'

San Pedro Sula TIEMPO in Spanish 2 Feb 86 p 6

[Text] The new government is not yet 2 weeks old, and already the campaign has been launched for the general elections of 1990, as if the only reason for Honduran politics to exist were the presidential succession.

Not only is the citizenry sick and tired of this electioneering, which began when the Liberal Party took office in 1982, but this practice is harmful to the public administration and the economy in general.

In previous commentaries, we discussed the constantly agitating system of the white envelope, which was developed during Dr Suazo Cordova's administration. It kept the bureaucracy in suspended animation throughout the 4-year term, rendering the administration chaotic and unworkable.

Now the current regime is in the process of affirming that same system, but it is aggravated by the premature candidates' need to maintain their own political clientele in order to promote their personal political ambitions.

This phenomenon (which absolutely corrupts Honduran politics, turning it into a vulgar circus whose sole aim is to put so-and-so in power) conspires against any effort or plan by Jose Azcona del Hoyo to form a coherent government dedicated to solving the most pressing national problems in a climate of national unity.

Indeed, it makes it impossible for Azcona to assume leadership of the country. That is what this country needs right now to ensure good government at a time when personality clashes and factionalism within his own party, and throughout the dual party system of Honduran politics, are diverting and diluting all the political and social energy that are so indispensable to achieving that goal.

To a great extent, the now famous National Unity Stipulation (PUN) has caused this plight. It was something that even President Azcona could not foresee, despite the many alarms that were sounded at the time.

This is so because, in the first place, that narrow stipulation was entered into for the exclusive purpose of giving Carlos Montoya the presidency of the National Congress, and therefore the launching pad for his candidacy and campaign activities within the red party.

In turn, the limitations and somewhat illegitimate character of the agreement enabled the candidate of the losing party, Rafael Leonardo Callejas, to seize an unwarranted amount of power. Now he is using that power--including money and sinecures--to spur a prolonged political campaign aimed at keeping his image in the public view and preventing the emergence of competition within the blue party.

In the Liberal Party, the Callejas followers' mobilization capacity, handed to them on a silver platter by the PUN, is whetting the political appetite of several party hacks in the Azcona camp, whose only merit is their very audacity and whose only turf is the territory opened up by the devaluation of Honduran politics. They have now been bitten by the bug of presidentitis, which is capable of addling the cleverest brains and mortally infecting any political organization.

The members of President Azcona's circle of power, that is, the "president's men," are all now presidential aspirants, planning their candidacies. Carlos Montoya, Rodrigo Castillo, Jorge Maradiaga, Celeo Arias, Orlando Gomez Cisneros, Arturo Rendon Pineda--in other words, a whole brood of new little parrot chicks.

Each one says his aspirations are legitimate, because it is a right guaranteed by our Constitution. But the fact is, there is no right to divert the conduct of government, political power and national energy toward such a selfish end, eliminating the possibility of solving the country's pressing problems for the good of our people.

There is no right to use the political parties in this way, or the civil service positions obtained through these parties. True political work, which should lead to a presidential nomination, should consist of loyal service to the administration and the people, and only then should it be rewarded with a candidacy.

Nor is there any right to deprive the president of the republic of his mandatory search for national leadership, without which he will be unable to motivate the nation and put together a government and program of national unity.

The proliferation of candidacies and the campaign to which the preliminary candidates have devoted themselves divides, paralyzes, corrupts and demoralizes not just the administration, but the country as a whole. Therefore, it is imperative that we put an end to it, if possible with legal measures that will rein in those politicians who have been stricken with presidentitis.

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HONDURAS

FORMER SUAZO OFFICIALS NAMED DEPUTY MINISTERS

Tegucigalpa LA TRIBUNA in Spanish 1 Feb 86 p 7

[Text] President Jose Azcona yesterday swore in the new deputy ministers of finance and of economy for integration and foreign trade.

The deputy minister of finance and public credit for revenues is Carlos Xatrch, who served as director general of taxation in the Roberto Suazo Cordova administration.

Roberto Alvarado Downing was sworn in as deputy minister of economy for integration and foreign trade; he had served in the previous government as the head of the General Directorate of Foreign Trade.

Also taking the oath of office was the Civil Service director, Donaldo Esteban Valladares.

As he handed them their respective appointment resolutions, President Azcona told them that "you have been selected for these posts with the clear understanding that you will strive to perform the government's tasks with complete honesty, diligence and dedication."

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HONDURAS

AZCONA, CALLEJAS DISTRIBUTE KEY POSTS

Tegucigalpa LA TRIBUNA in Spanish 5 Feb 86 p 9

[Text] Government positions were distributed as follows:

--Central Bank: president, Pablo Rubio; vice president, Carlos Manuel Zeron (Nationalist).

--CONADI [National Corporation for Investment]: Rene Ardon Matute (Nationalist) who works at one of Rafael Leonardo Callejas' salt mines.

--CDI [Industrial Development Center]: Mauricio Velasco (Nationalist).

--BANMA [Autonomous Municipal Bank]: Orlando Funez or Dalmiro Caballero (Nationalists).

--Honduran Social Security Institute: a doctor named Moncada (Nationalist) will probably be named to head it.

--IHMA [Honduran Agricultural Marketing Institute]: Ramon Gallardo and Ricardo Arias, Celeo Arias' son (Liberals).

--INFOP [National Institute of Professional Training]: Carlos Lorenzana.

The Secretariat of State for Foreign Affairs and the Secretariat of State for Labor and Social Security are also headed by Nationalists and half the positions abroad are held by Nationalists.

These appointments stem from application of the PUN [Pact for National Unity] according to which the employees of the Supreme Court of Justice, half the courts, the Attorney General's Office, and half the employees of the National Congress come from the Nationalist Party.

The terms of the PUN signed by President Jose Azcona and Rafael Leonardo Callejas, the leader of MONARCA [Rafael Callejas National Recovery Movement], were carried out by this distribution of positions in the Executive Branch.

Cesar Tome Rapalo, a Nationalist, will represent the Supreme Court of Justice on the TNE [National Electoral Court]. This will place two Nationalists on that court and give them a majority over the Liberal Party.

Because of the mathematical distribution of government positions between Azcona's and Callejas' groups, political observers agree that Callejas has formed a coalition government with the Liberals. Therefore, he will have to share the responsibility for the administration with them.

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HONDURAS

FUSEP ANNOUNCES CHANGES IN KEY PERSONNEL

Public Relations Head Selected

San Pedro Sula TIEMPO in Spanish 1 Feb 86 p 11

[Text] Cpl Rodolfo Diaz Cantanero took over as head of the Public Relations Office of the Public Security Force (FUSEP) last Thursday afternoon.

He replaces Sgt Francisco Torres Garcia, who has been transferred to his former post in the Transit Office.

The authorities in FUSEP's region two made the decision apparently to streamline its operations.

Changes in Region Two

San Pedro Sula TIEMPO in Spanish 10 Feb 86 p 10

[Text] San Pedro Sula--Region Two of FUSEP, which is under the command of Lt Col Hector Santiago Chavarria, yesterday made a series of changes regarded as "routine" in the commands of the offices in seven municipalities in the department.

Thus, Staff Sgt Federico Banegas has replaced Teofilo Mendoza in the Rio Lindo assistant office. In Pena Blanca, Cortes, Technical Sgt Francisco Javier Pena has replaced Adelmo Portillo Pineda. In Rio Blanco, Ambrosio Rivera Reyes has replaced Technical Sgt Angel Ignacio Nufio.

In San Miguel, Cortes, 3rd Sgt Wilfredo Isaac Rosales has replaced Edil Fermin Aguilar. In Potrerillos, Israel Mejia has replaced Miguel Cerrato Ardon. In Villanueva, Eugenio Mejia Fuentes has replaced 2nd Sgt Pablo Lopez Pineda.

Pompilio Andino Hernandez has taken over for Crecencio Lemus at the Choloma assistant office. Jose Antonio Ramirez has replaced Marco Herminio Lainez in La Lima. At the post in the Rivera Hernandez settlement, 2nd Sgt Juan Alberto Ortiz has replaced Manuel Gamez Aguilar, and at the post in the Lopez Arellano settlement, Eulalio Miranda Bobadilla has replaced Oscar Alexis Perez Fajardo.

It was reported that all of the men being replaced are moving over to the First FUSEP Station in this city.

San Pedro Sula TIEMPO in Spanish 5 Feb 86 p 11

[Text] Santa Rosa de Copan--The General Command of FUSEP has appointed new officers in Region Three, which is headquartered in this city.

Lt Lazaro Alvarez Sanchez has been appointed squadron commander, and 2nd Lt Adrian Alvarado has been named director of transit.

Second Lts Silvio Edmundo Padilla and Luis Armando Cruz Mendoza have been named FUSEP platoon commanders.

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HONDURAS

BRIEFS

UNC ON AGRARIAN REFORM--The UNC [National Union of Peasants] will pressure the current government to carry out a real agrarian reform and give land to some 150,000 peasant families. The assistant secretary general of the UNC, Victor Inocencio Peralta, stated that this organization will be more aggressive during President Jose Azcona's administration and will fight to protect the interests of the peasant. He noted: "We want an agrarian reform that helps all the peasant sectors in the country. There are many families that do not even have a tiny piece of land to cultivate while the landowners have large areas that are not used." The agrarian leader reminded President Azcona of the campaign promises he made to the peasant sector. "They are passively waiting for the president to fulfill them--if not all, at least the main ones." Finally, Peralta stated: "We voted for a man who offered us miracles. He must now make them reality because, otherwise, we will demand them in our own way." [Text] [Tegucigalpa LA TRIBUNA in Spanish 8 Feb 86 p 7] 7717

PNH GAINS TNE SEAT--Tegucigalpa--Yesterday afternoon Roberto Callejas took office as a member of the TNE [National Electoral Court] representing the PNH [National Party of Honduras]. Callejas replaces the current minister of labor, Adalberto Discua Rodriguez. He is the second person to join the TNE in the last 2 days. A Liberal, Pompilio Romero Martinez, joined on Monday. Later this week, the Nationalist representative of the Supreme Court of Justice, Cesar Tome, will join. This will give Callejism control of the TNE. Callejas stated yesterday: "I don't think the PNH has control of the court." He pointed out that the TNE is governed by general provisions already established by law. He also announced that the Central Committee will decide whether to dismiss employees of the TNE and the RNP [National Registry of Individuals] hired by the PNH after they have been evaluated. He said that people cannot be dismissed "because of gossip or because someone does not like them." He was apparently referring to a Callejist deputy, Efrain Reconco Murillo, who has been accused of dismissing several Nationalist employees of the RNP in recent days in order to hire his own friends and relatives. Callejas said: "We certainly did not come with the idea of controlling the TNE, but to achieve equity and justice." [Text] [San Pedro Sula TIEMPO in Spanish 5 Feb 86 p 3] 7717

CSO: 3248/293

MEXICO

#### STUDY RECOMMENDS MEASURES TO RESTORE STEEL INDUSTRY

Mexico City PROCESO in Spanish No 484, 10 Feb 86 pp 6-9

[Article by Enrique Maza]

[Text] The question seems rhetorical. But the fact that the federal government is posing this question to itself is symptomatic: "It is worth considering whether the national steel industry should limit its growth, or perhaps gradually be phased out, permitting steel imports at international prices."

The federal government, in analyzing this important sector of the economy, explains the question: "The present situation of the parastate steel industry, in terms of its financial structure, productivity, labor relations and competitiveness on domestic markets, is one of deterioration. This decline is a consequence of the actions taken by its administrators in the recent past, and of the financial, investment and pricing policies pursued during recent years."

In other words, the state of the national steel industry, especially the parastate sector, is abysmal. It is so bad that one must wonder whether it is worth the trouble of shutting it down.

Fernando Hiriart, director general of the Federal Electricity Company (CFE), was commissioned to conduct a study of the steel industry in August 1985. Hiriart had done a previous study on his own which had favorably impressed the economic cabinet and the president of the republic. Between August 1985 and early 1986, the head of the CFE worked with a group of experts who were assigned to him by the secretariats involved in the steel sector.

The CFE director submitted his analysis and recommendations to President Miguel de la Madrid on Thursday 9 January at 1300 hours at the official residence. He did so at a meeting that was attended by Secretaries Francisco Labastido Ochoa (Energy, Mining and Parastate Industry), Jesus Silva Herzog (Finance), Carlos Salinas de Gortari (Planning and Budget), and Francisco Rojas (Comptrollership), among others. The 22-page document was presented, and then there were questions, answers and opinions. Finally, it was unanimously decided to remove Miguel Alessio Robles as director general of Mexican Iron and Steel (SIDERME).

In fact, Alessio Robles resigned on 14 January. That same day, SIDERMEX announced that Guillermo Becker Arreola, director of National Diesel (DINA), would be the new director of SIDERMEX. Becker Arreola is a 54-year-old economist, university professor and member of the National Economists Association who served as undersecretary of industry from 1974 to 1976. He has been in government service since 1952.

The Hiriart study is a comprehensive technical explanation justifying the increase in the price of steel (a 17 percent hike which took place on 4 February), advocating the removal of Alessio Robles and changes in the administration (which already has been done), and requesting that the state assume SIDERMEX's liabilities (paying off the steel debt) and renew investment. It remains to be seen whether the latter will occur. These measures are designed to boost productivity and production.

Fernando Hiriart begins his analysis by establishing one fact: "The steel industry holds a predominant position in the Mexican industrial structure; it employs nearly 70,000 people, of whom 70 percent work in the parastate steel sector." The integrated steel industry (which includes everything from extracting minerals to mining work to making the final product) "produces 85 percent of the steel in Mexico and reported total sales of 370 billion pesos in 1984 (\$2.205 billion). The parastate sector accounted for approximately 60 percent of those sales."

There are five integrated steel industries in Mexico: Mexican Steel Mills, Inc. (AHMSA) and Monterrey Foundries (FMSA), both of which were private and are now parastate; the Lazaro Cardenas-Las Truchas Steel Complex (SICARTSA); HYLSA of the Alfa Group; and TAMSA, which belongs to Ernesto Fernandez Hurtado and was formerly owned by the Italian group comprised of Bruno Pagliai and Miguel Aleman Valdes.

AHMSA was started in the 1940s. The government had to intervene in it because of its debts. The same thing happened to FMSA, which belonged to the Prieto family and which began to ask for loans during the Echeverria administration.

The non-integrated steel industry begins with scrap metal and does not engage in any mining. It uses the scrap to make the final product, which consists exclusively of rounds and light structures. Some 40 companies make up this sector, and account for about 20 percent of the market.

SICARTSA, the parastate steel mill at Lazaro Cardenas-Las Truchas, was planned in four stages. It is only in the second stage now, consisting primarily of processing raw materials for capital goods such as machinery. SICARTSA I and II.

Steel is considered a source of foreign exchange earnings, and the market for it began to expand tremendously in the 1950s, after World War II. At that time the countries that had been involved in the war needed to reequip their factories, and demand in the Third World was beginning to grow. There was a great deal of technological innovation at that time.

In the 1970s industrial plants became oversaturated, and steel prices plummeted. The United States, the largest consumer, put off modernizing its plants, which drove up costs and eroded quality. It imposed import quotas, and the market became unstable.

The steel industry is characterized by what experts call "feedback," in that first the steel is produced, and then products are made to produce steel. This leads to the development of the industry's own technology. In Mexico, HYLSA reached this third stage, developing its own technology. It was then that SIDERMEX was created as a sort of holding company. It had two objectives: one, to cut the administrative staff to 1/3 of its size with the merging of AHMSA, FMSA and SICARTSA under one management; and two, to have the plants specialize in certain products to avoid the duplication of productive functions.

SIDERMEX left its objectives up in the air. Its organization had been planned in three stages, but they were interrupted with the change in presidential administrations. The creation of SIDERMEX was aimed at putting the three plants under one management and removing the plant directors. The goal is to trim the administrative and management bureaucracy.

Fernando Hiriart's study goes on to say: "Clearly the Mexican steel industry, particularly the parastate sector, has a significant impact on the national economy."

But "the present situation--that of the parastate sector--in terms of its financial structure, productivity, labor relations and competitiveness on domestic market, is one of deterioration." The causes: actions taken by the administrations in the recent past; and financial, investment and pricing policies pursued in recent years.

In addition, there is the steel market. In 1984 "practically all of apparent consumption--specific demand at a given moment--of steel in Mexico was covered, nearly 5.6 million tons." But this apparent consumption in 1984 was considerably less than that of 1979-82, when 8.8 million tons per year was consumed, with a shortfall of 2.5 million tons. "For the 1985-90 period, it is estimated," says the document, "that there will be major shortages of steel sheet and plate, amounting to \$80 million to \$200 million per year. If the growth rate of the economy increases, these shortages will rise to more than \$3 billion over a 5-year period."

And then the question arises: Will the growth of the steel industry have to be limited, or will it have to be gradually phased out, with imports of steel products?

Before answering the question, the study by Fernando Hiriart posits certain considerations: 1. On the international market there are no official prices for steel products; they are variable and subject to negotiation. 2. The import price is not the lowest. 3. The gradual phasing out of the industry would mean greater shortages, amounting to \$80 million to \$300 million over the next 5 years. 4. The elimination of national steel production means importing all steel, more than \$3 billion worth by 1990, when national steel

consumption could reach 7.5 million tons per year. 5. Suspending production means laying off personnel, which would cost about 85 billion pesos. 6. In 1984, AHMSA, FMSA, SICARTSA and most of their subsidiaries had a total of 706.116 billion pesos in liabilities, which the state would have to cover if steel operations were suspended. 7. The suspension would mean that the liabilities involved in SICARTSA II would also have to be covered, amounting to an estimated \$1.454 billion, plus the loss of the \$766 million in capital already invested. 8. If operations are suspended, the facilities can be sold, but the salvage value of the equipment would be much less than its real value.

Given these considerations, the study reasons as follows: High domestic steel consumption, the high cost of imports, the uncertainty of international prices, changing markets, the immediate cost of shutting down operations, personnel layoffs, the absorption of liabilities--all this "leads to the conclusion that it is uneconomical to suspend national steel production. The decision to eliminate an industry as complex as steel is not feasible under the present circumstances."

The rhetorical question was apparently answered. But in the process, the situation that led the government to raise the question was also elucidated. If the industry is not to be shut down, then it must be brought back to health. The study then goes on to analyze the elements that should be taken into account: prices, financial situation, organization. The recommendations will be made on the basis of this analysis.

Prices: They have been under the control of the Secretariat of Commerce and Industrial Development (SECOFIN) since 1976, according to the document.

Between 1976 and 1980, they did not vary more than 20 percent a year. From 1981 through the first 6 months of 1984, prices rose at a rate of 80 to 100 percent a year. From the second half of 1984 to the present, the increase has been not more than 30 percent a year. "These increases have not been enough to make up for rising costs, the high degree of financial leveraging, and the losses occasioned by debts in foreign currencies."

"In addition to the effects of the exchange rate, national steel prices have changed erratically in relation to international prices. Sometimes they have been well below those prices, sometimes well above them, but never at the right time. "The response of the price control mechanisms has not been quick enough, sometimes leading to significant over-pricing with respect to the international market, and other times causing the decapitalization of the industry." In other words, SECOFIN has not worked.

The document lists the criteria used for setting prices: 1. Changes in production costs, but the adjustments must be made expeditiously. 2. A price that allows a positive cash flow. 3. International prices with a predetermined tariff that will permit international competitiveness. 4. A national price that would be referenced to the international prices and would change along with them, taking the parity of the peso into account. 5. Letting the market determine prices freely.

"Any of the aforementioned criteria can be used" to modify prices. But "the reaction must be quick to respond to changes in the exchange rate or in international prices." Otherwise, three things may happen: 1. National prices could become isolated from international ones, "as has happened so far," which leads to erratic variations. 2. Under the current tariff system, the national industry could be left defenseless. 3. Inadequate price controls would not encourage improvements in productivity.

The financial restructuring of the national steel industry will not be lasting if there is no appropriate price adjustment mechanism.

**Financial Situation:** "The steel companies, both state and private, face a financial crisis that is threatening their very survival. This crisis is characterized by disproportionate leveraging in relation to their ability to generate savings." On the one hand, official price controls are imposed on them; on the other hand, they are not given any budgetary support, but rather are forced to resort to credit, mostly in dollars. In other words, the government itself is decapitalizing them, because that way it earns a good interest rate and collects high taxes.

For example, HYLSA retains just 32 percent of its earnings as working capital; SIDERMEX retained only 11 percent in 1984, 6 percent in 1985. Both HYLSA and SIDERMEX must spend more than 50 percent of their sales earnings on interest payments. "This situation is a consequence of the tradition of financing the sector through indebtedness."

But the problem is even more serious if we take into account "the low productivity of the parastate sector, the unwieldiness and inaccessibility of its operations, and the relative shortage of raw materials."

The study points out potential solutions, which consist of "joint action in five areas": marketing, production levels, productivity, prices, and financial structure. "Given the magnitude of the problem and the narrow leeway, however, no single action can be considered a solution."

Efficiency in marketing, productivity, and higher levels of production will contribute to greater domestic savings. But "the solution requires above all the combined effect of higher prices and a less leveraged financial structure."

Prices must rise, says the report, by 70 percent for flat steel products and 55 percent for nonflat steel products. But the other problem remains: "It is impossible to service the debt through resources generated internally by the companies, even if productivity and prices do rise. If the policy of financing with credit is maintained, the prospects for the years to come are even gloomier." SIDERMEX alone will require an indebtedness of 225 billion pesos in 1986, twice the 1985 total.

"Therefore, it will be necessary to capitalize liabilities and leave the companies only with the debt they are capable of servicing, assuming a proper pricing policy." In other words, a good part of their debt must be paid off.

The document analyzes the companies one by one: HYLSA, AHMSA, SICARTSA, and FMSA. Its conclusion: disaster. HYLSA has stopped paying on the principal of its debt, pending the restructuring of that debt with the foreign banks. When it is restructured and payments must resume, the company will have no money to make the payments. AHMSA has financed itself with credit, and cannot generate enough resources to continue investing and paying its debt. SICARTSA had to face serious problems: repairing the blast furnace in 1985, a 32-day strike last August, problems in planning production and sales, and a deficit of 17 billion pesos in 1985. It needs capital to finance that deficit and to have funds to invest in raw materials. FMSA's facilities are in sad shape, its employees lack motivation, it has raw materials and infrastructure problems, it owes \$380 million, productivity and production are low, human resources are seriously deficient, it has labor union problems, and it suffers from mismanagement. The flat steel division should be separated from FMSA and made independent. Its management and labor relations should be reorganized, and its business administration should be made autonomous. As for FMSA, "the decision as to whether to continue its operations or cease them must be made."

Therefore, investment must be revised. For the parastate sector, it should total \$250 million per year. Between 1983 and 1985 62.5 billion pesos (some \$240 million) was invested, which is less than a third of what should have been invested. To make matters worse, the investment was not balanced. "Investments that were needed for maintenance, attaining maximum efficiency and replacing obsolete equipment were not made. One dramatic example is the case of the flat steel plant, whose equipment is in an obvious state of disrepair and cannot operate reliably."

The expansion plan initiated in 1979 at AHMSA has been left up in the air. Only a minimal investment remains to be made, but it has not been done. It is recommended that this investment be carried out so that what has already been accomplished will not go to waste. FMSA has not made the necessary investments for maintenance and equipment replacement in 10 years. And it needs major investments. The flat steel plant should be a top priority, "given its importance on the market and its ability to operate autonomously."

SICARTSA requires investments for the replacement of equipment and maintenance, and especially in mines and concentration plants to avoid having to import raw materials. SIDERMEX plans to invest 56 billion pesos in 1986, but Planning and Budget has authorized only 20.36 billion. "The investments should be aimed primarily at the development of coal and iron mines, projects to increase efficiency and to install mobile equipment at AHMSA, the rehabilitation of the flat steel plant, and the development of SICARTSA mines."

Organization: SIDERMEX was formed by combining the three most important parastate steel companies and their subsidiaries. "SIDERMEX exists in name only . . . It has no legal control over the companies it manages." The management and operational efficiency of the parastate steel industry has deteriorated and worsened under Miguel Alessio Robles. He "tried to run the industry by issuing instructions rather than strengthening the organic units responsible for production, familiarizing himself with their problems, and

ensuring coordination, above all in the supply of raw materials and in responding to the market."

**Analysis:** Modern organizational policy is to decentralize, and SIDERMEDEX centralizes. For example, it centralizes marketing, and isolates the plants from their markets. It also contributes to overall inefficiency, due to a variety of operational factors on the Mexican market. The study presents a long list of the specific products made by the plants and their peculiar connections with the market. It reaches this conclusion: "Specialization in the steel industry takes place naturally by mutual agreement among the producers themselves. Therefore, instead of devising an organizational structure that will regulate the specialization of each producer (which had been SIDERMEDEX's original idea) without the direct participation of the plants, communication among them should be strengthened to achieve this purpose."

Fernando Hiriart's document goes on to say that it is not a matter of abandoning coordination among the companies "in favor of absolute independence, especially because the parastate companies are part of the state, and the latter can take advantage of the situation to seek the best overall situation, minimizing costs and undertaking comprehensive planning."

SIDERMEDEX's operational difficulties are reflected in the fact that "it does not yet have a plan for its companies, and lacks a reliable and uniform information system. The presence of more than 80 subsidiaries with very diverse origins and objectives, which do not always contribute to the healthy operation of the group as a whole because of their interdependence and the inaccessibility of their operations, confirms the need to seek better organization."

The excessive indebtedness and the low prices contribute to the difficulty in measuring results, the principal criterion of business performance. "The main battle that the leaders of the sector must wage is obtaining subsidies, not producing results."

The restructuring should be based on straightening out the financial situation, which includes setting appropriate prices, assuming liabilities, and being willing to make the necessary investments, to strengthen the lines of production." Only then can the three steel companies be responsible for producing results.

The parastate steel sector "has approximately half the productivity level" of comparable steel plants in similar countries.

SICARTSA II has a difficult problem. "It has been partially suspended, even though it is past the point of no return, at a cost that is higher than the cost of going on, and with the added risks of breakdowns and obsolete equipment." As of July 1985 \$1.56 billion dollars had been invested. The original cost was \$2.573 billion. The delay has affected financial and administrative costs and has entailed penalties and costs for preservation and maintenance.

The cancellation of SICARTSA II would cost \$1.454 billion. It would cost \$2.135 billion to keep the present suspension going indefinitely. These costs cover the period between 1985 and 1992. It would cost \$2.135 billion to resume it in 1987 and complete it in 1991. And it would cost \$1.810 billion to resume it immediately.

The problem is that the direct reduction plant is 99 percent completed, and it cost \$255 million. A complementary investment of just \$40 million is needed to put it into commercial operation independently. It is running at 50 percent capacity. That entire project should be completed.

This is the picture painted by the Fernando Hiriart study. It goes on to make the necessary recommendations:

1. Provide for the operational autonomy of the AHMSA, FMSA and SICARTSA steel plants, and of their directors. Restore all their functions in the areas of marketing, operations, purchasing, labor relations and investment planning.
2. Limit the corporate functions (those of SIDERMEX) to the coordination of sectoral planning, financial management and dealings with the government.
3. Sell, merge, transfer or shut down the unnecessary subsidiaries.
4. In the case of FMSA, concentrate on the rehabilitation of the flat steel division (financial support and human resources), after a change in management.
5. Set reasonable prices and implement an efficient adjustment mechanism.
6. Resume SICARTSA II immediately.
7. Separate SICARTSA II from SIDERMEX. Give it autonomy and support.
8. Restructure the finances of the parastate sector, capitalizing a major portion of its debt.
9. Support and give attention to the development of human resources. And negotiate better terms for the company in its relations with its labor union sections.

8926

CSO: 3248/301

MEXICO

HIGH COSTS SAID TO MAKE CHICONTEPEC OIL UNEXPLOITABLE

Mexico City EXCELSIOR in Spanish 11 Mar 86 pp 1-A, 15-A, 32-A

[Part II of 2-part serialized article published in EXCELSIOR of 10, 11 March 1986; by Antonio Garza Morales]

[Excerpt] The estimate of 72 billion barrels for Mexico's hydrocarbon reserves is not realistic, and in the international context it is felt that the 17 billion barrels at Chicontepec, Veracruz, cannot be drilled in the long term due to the high operating costs. That includes the drilling of 16,000 wells and the destruction of tens of thousands of hectares in a farming and ranching area, if current operating systems are employed.

Dr Gustavo Rodriguez Elizarraras, an expert in North Sea drilling who used to direct the Latin American Energy Organization and served as an official of the Secretariat of the President's Office, pointed out that the oil in Chicontepec is heavy, "almost like rocks," and the wells may yield an average of less than 1,000 barrels per day.

He mentioned that in the so-called Chicontepec Canal, oil drilling will be costly because of the low yield of the wells.

He recalled that in the past, Texaco sealed 1,500 working wells in California because they were not cost-effective, and that petroleum was much lighter than that of Chicontepec, which is super-heavy.

Venezuela is facing a similar situation; it has large reserves of heavy petroleum in the Orinoco which are almost totally devoid of gas, as in the case of Chicontepec. They cannot be exploited until well into the next century, and even then only if the market circumstances allow it and there are no major discoveries in the so-called gigantic fields.

8926  
CSO: 3248/301

MEXICO

## 7 PERCENT GROWTH IN ELECTRICAL DEMAND SEEN FOR 1986

Mexico City LA JORNADA in Spanish 11 Mar 86 p 13

[Article by Emilio Lomas M.]

[Text] The generation of electricity in the country went from a total of 79.5 billion KWH in 1984 to 85 billion in 1985, a growth of about 7.1 percent, according to information released by the Federal Electricity Commission (CFE). It explains that the number of customers covered by this service was expanded by 300,000, going from 12.5 million to 12.8 million. That represents an increase of 4.8 percent.

By December of last year, it indicates, 523 electricity generating units were in service at 170 power plants located "strategically" throughout the country. There were 201 units in 74 hydroelectric plants, and 94 in 28 conventional thermoelectric plants.

In addition, the generating units at the hydroelectric plants contributed 26.52 billion KWH; combined-cycle units supplied 4.554 billion KWH; and coal-fired units produced 3.518 billion KWH.

The CFE explains that geothermal power plants provided 1.641 billion KWH and turbogas units accounted for 844 million KWH. Although these sources are less significant, they illustrate the diversification of primary energy sources.

Electricity consumption in Mexico will grow at a rate of about 7 percent in 1986 in relation to last year. During the 12 months of the year approximately 91.5 billion KWH will be generated. At the end of 1985, the national electricity system had an installed capacity of 19.1987 billion KW, and in the first 4 months of this year more units began operating. They will boost the capacity figure by more than 1 million KW.

Among these new units, the Rio Escondido coal-fired plant in the state of Coahuila will account for 300,000 KW; in addition, 2 units producing a total of 220,000 KW have come on line at the Cerro Prieto geothermal plant; and 516,000 KW is coming from the steam and combined-cycle units.

According to the CFE, the sources of power to meet demand will vary depending on the rains, but it is estimated that hydroelectric generation will account for 30 to 35 percent of the total. The remaining 65 to 70 percent will be provided primarily by steam plants, and to a lesser extent coal-fired, combined-cycle and geothermal plants.

SURINAME

BOUTERSE ADDRESSES U.S. DISPLEASURE OVER LIBYAN PRESENCE

Paramaribo DE WARE TIJD in Dutch 26 Feb 86 pp 1, 10

[Text] After 6 years of revolution, we will soon have 7 lean years behind us and we will be able to look ahead in the knowledge that we have 7 fat years ahead of us. This was the statement by government leader Desi Bouterse Monday evening in a speech to revolutionary cadre in the Lalla Rookh Center. In a speech lasting nearly 3 hours, he gave an overview of what has been achieved thus far and was critical of many things, from the lack of energy on the Supreme Council and within the government and the show-type atmosphere in the National Assembly, to the lack of unity among Surinamers, the lack of activity and mutual respect in the "25 February Movement" and the role of Suralco [Suriname Aluminum Company] as a multinational in the country.

The leader of the revolution said that one important result of the revolution is that many now know what to do and are taking action. The discussion phase must now come to an end and be converted into concrete and clear deeds.

Bouterse: We will have to act in unity and have confidence in each other and faith in each other's abilities.

Our problem is unity on the campaign front. We have no confidence in each other and no confidence in this country.

We still have a colonial mentality. We have been insufficiently taught to love this country and our brothers.

The government leader said that he often had to laugh at people in his vicinity who think that they can throw dust in his eyes (applause).

Bouterse: We do not have one bit of unity in this country.

We have to get to work on this.

He said that ministry fights with ministry, cadre member with cadre member. Everyone wants to take credit. He called on the cadre members to adopt a loyal attitude after today and to help correct one another.

After 6 years of revolution, we will soon have 7 lean years behind us and we will be able to look ahead in the knowledge that we have 7 fat years ahead of us.

There is no more time for talking, it is time to do things.

The government leader said that the level of participation must be expanded.

He pointed out that Suriname is much too dependent on international events and on shifts in matters over which we have little say but the consequences of which we must bear. In this way, we have gotten into the vicious circle of falling prices for natural resources and reduced export yield.

Non-Aligned

With respect to foreign policy, the leader of the revolution told his audience that Suriname continues to pursue an independent policy based on the principle of non-intervention and mutual respect and benefit.

Suriname supports the Contadora and Lima group.

He said that Suriname will not be flustered by negative campaigns in the international press about the presence of Libyans in Suriname.

The truth is that only four diplomats are employed at the Libyan embassy.

Then there are a few other Libyan Muslims in the country who are teaching within the Muslim communities. It is said that the Americans would rather not see the Libyans here. The Americans will then simply have to be dissatisfied.

Important lessons are to be learned from recent events in Haiti. The lesson for us is to guard against a situation in which the government is in power by the grace of a foreign power. Duvalier had to leave when a foreign power withdrew its support of him.

Supreme Council

According to the government leader, the Supreme Council is only now beginning to function. Only now does it see its historic role, and it has finally understood its political responsibility.

A tendency towards indecisiveness prevailed. Now the partners have reached the point where they have recognized that there must be action.

The Supreme Council has now set up the Deliberation Organ for Social Accord in order to look into wages, prices and the appropriation of profits.

The dialogue with political leaders is being continued, the government leader said. The partners are united and have submitted an Action Point Program. This document was discussed on 26 February. It primarily concerns the political administrative system.

### Assembly Puppet Show

The commander said that he could not escape the impression that the National Assembly should approach matters more seriously.

Just like the old parliament, the National Assembly is putting on a show. The people have seen a puppet show enough in the past.

Bouterse: I hope that I am speaking on behalf of the community when I say that the Assembly has important things to do. The most important is the drawing up of a constitution.

### Government Energy

The performance of the government is still insufficient on the whole, the government leader said. It is lacking in energy. It should not wait for the Supreme Council and should display more zest for work and dedication.

Too much is being unloaded on the Military Authorities.

The government leader noted that the Ministry of Transport, Trade and Industry is being talked about and that Minister Fong Poen is getting the blame for shortages. The entire government is equally responsible for policy. After 6 years of revolution, we have only 425 guilders less to spend on imports, whereby many importers are not coming into their own. If we do not cooperate and if we hoard, then there will be no solution. The commander said that when he comes home he occasionally sees that his wife has stockpiled 96 rolls of toilet paper or the same number of bottles of oil. Many others are doing this as well. We should not be looking for scapegoats and thus hang Fong Poen from the highest tree.

### People's Army

According to the commander, the army has in the last 6 years guarded the revolution, our territorial inviolability and sovereignty as an advanced base.

The army has had serious problems, trained as it was by the colonial power. It was not taught to deal with the people, but rather to oppose the people.

The leader is solidly determined that the army is to be transformed into a people's army for the benefit of the community. The soldiers must know that they are being paid by the community and they must have respect for their fellow citizens.

Normal promotions in the army have been held up for 6 years.

The commander admitted that there have been high-flyers and excesses.

He said that the army will remain in the forefront as long as the population has not yet taken over.

He announced that as of 25 February, the military stars and stripes have been abolished. There will only be commanders of the revolution and subcommanders.

#### Various Matters

The commander mentioned the establishment of the National Institute for Human Rights, and expressed his hope that it will be able to do good work.

He said that the revolution has no problem with democracy, provided that the people are allowed to participate effectively.

Concerning the "25 February Movement," the leader of the revolution remarked that this movement should be structured in such a way that it can become a true revolutionary movement. The members must become more active and must have respect for one another.

The labor movement, he said, is experiencing a difficult time because of the poor economic situation. The labor movement must now show its strength and come together. It has the unique opportunity to involve workers in the process and has a new educational task in instilling in the workers a new mentality.

Bouterse said that he expected that the 3,000 workers at Suralco would have stood up for the 500 that Suralco wants to fire.

He also reproached the 500 workers for the fact that even though the union called on them to continue to report for work, no one reported after a few days.

12271

CSO: 3214/38

TRINIDAD AND TOBAGO

OPPOSITION LEADER PANDAY INTERVIEWED BY EXPRESS

Port-of-Spain SUNDAY EXPRESS in English 23 Mar 86 p 3

[Article by Harry Partap]

[Text]

THE OBJECTIVE in nominating OWTU leader George Weekes to the Senate was not for him to support the National Alliance for Reconstruction (NAR) but to ensure that legitimate views in the society were brought to bear on the decision-making process.

This was how opposition leader Basdeo Panday defended the appointment of Weekes to the Senate in an exclusive interview with the *SUNDAY EXPRESS*. Said he: "The whole object of appointing Mr Weekes is not to bring political support. It is not to get votes. The object of appointing Mr Weekes is that he represents a large section of the labour community and therefore that community must have a voice and a say in the decision-making process."

Said Panday, "whether this brings votes to the party or doesn't bring votes to the party is not relevant. The object is to let legitimate views be represented."

Panday said that Weekes represented the oil workers who produced 80 per cent of the revenue of the nation. Said he, "How can you have a decision-making process without those views being represented. It cannot be. So Mr Weekes' appointment is not to bring votes it is to unite the society; to mobilise your human resources. That is the objective."

Panday also gave a philosophical explanation to the appointment. He said, this was a "highly plural society and therefore the most the most urgent task facing us is mobilising the human resources."

He said the late Prime

Minister Dr Eric Williams' "greatest error in his life was when he said, 'Those who are not with me are against me.'

"By doing that, he drew a line across the society and divided it. Who did not succumb to him and agree with him, he kept them outside the pale of decision-making and by so doing failed to mobilise the human resources. The human resources are your most valuable resources."

Panday added: "It is for this reason I believe that they (PNM) had \$60 billion and they could not have provided even water, because even though they had that kind of

financial resources they could not mobilise the human resources." Panday said that the "most urgent task facing us in a plural society as ours is the mobilisation of the human resources."

The Opposition Leader explained the role of the NAR in the political tapestry of the nation.

"The NAR, in my view," he said, "is an attempt to devise a political mechanism which unites all those threads in the society which brings it together into the decision-making process. The NAR must be a party in which the businessmen, the Hindus, the Muslims, the Christians, the Indians, the Africans, the Chinese and all people feel comfortable."

He added, "And the only way to make them feel comfortable is to let them know that they have a say in the decision-making process. And unless you do that you alienate them."

Said he, "This was the thinking behind the appointment of Mr Weekes. You have got to bring into the pale of decision-making people who represents legitimate views, whether you agree with those views or, indeed, whether you like such people or not."

"That is totally irrelevant. What is important is, if you are going to have national unity you cannot exclude legitimate points of view from the decision-making process."

Panday said that it was precisely for this reason that he suggested the appointment of Weekes to party leader ANR Robinson, and deputy political leader Karl Hudson-Phillips "who thought it was a good idea."

He added: "We will demonstrate to this country, now, not after the election, that we are prepared to build a new kind of party, different from the PNM — a party that permits legitimate views."

It is when these views, regardless of the conflict, impinge on one another that they will crystallise a consensus, that will be a national consensus, he added. Panday said that in this way people would support and work towards a goal because they were part of the decision-making process.

Panday said that Weekes would take a "totally independent" position in the Senate. This, he said, would not undermine the programmes and policies of

the NAR. Said he, "This nation has to grow up. It cannot say that 'I will associate with people whom I like and who only agree with me.' It can't do that."

"Mr Weekes is not a member of the NAR. He doesn't represent the party. He is not expected to toe the party line. He will put forward a view that is legitimate and independent. He may vote against the party, if he wishes. It doesn't matter, because that is not the object of putting him there."

Panday said he had put behind him the events of August 1977. Said he, "I cannot undo yesterday. Yesterday is gone and yesterday is finished. If I look back I cannot walk forward and therefore I will keep stumbling and fall. I must reconcile myself with what happened yesterday and I must think of today and of the future.

"What happened in 1977 is behind me. There is need for national unity in the country and if at one time I tried and failed, I must not give up. I must simply pursue it and keep going on, and on because that is the right thing to do."

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TRINIDAD AND TOBAGO

SENATOR-DESIGNATE WEEKES DENIES 'COMMUNIST' TAG

Port-of-Spain EXPRESS in English 25 Mar 86 p 40

[Article by Harry Partap]

[Text]

**OILFIELDS** Workers Trade Union leader and National Alliance for Reconstruction Senator designate George Weekes insisted yesterday that he was not a communist but a socialist dedicated to social justice for the workers of the nation.

Weekes refuted the communist stigma attached to him saying that, "anybody who opposes the injustices against the working-class people have in the past been branded as communist." He said: "I am no communist. I am a socialist dedicated to social and political justice for the working-class people of this country."

Weekes spoke to the EXPRESS San Fernando Desk in an interview at his OWTU headquarters office yesterday. Earlier, Opposition Leader Basdeo Panday said that he was despatching a letter to President Ellis Clarke nominating Weekes to the Senate to replace the late labour spokesman Senator Nuevo Diaz. Panday said the letter

would have been despatched yesterday following the endorsement for National Alliance for Reconstruction (NAR) General Council on Saturday.

Weekes, who served as a ULF Senator in 1976-77, described his appointment as a "very important step taken by the NAR in setting new guidelines for the transformation of politics in this country."

He said: "The question of my appointment without strings attached, without having to be a party member towing the party line is historic to my mind.

"This shows the right way that politics should follow in the future. I want to congratulate NAR leaders in taking this position," he said.

Weekes said the main issue facing the country was that of "honest and committed leadership."

He indicated that his main task in the Senate would be to convince the political directorate that it must be honest in dealing with the issues facing the nation.

He said the government had

not been honest with the nation on the position with oil prices. He said that issue was still to be openly discussed with the people.

Said Weekes: "I sincerely believe that the crisis in the country stems from a lack of honest leadership. Indeed the leadership not only at the political but at the industrial level is that of corrupt and bankrupt leadership. The leaders need to tell the truth. And leaders must not lie to the people. They must be frank and honest. Then tell the people what is expected of them."

Weekes added: "As a result of what is called the downturn in the economy, and they, by example, must show that they are not pursuing the politics of their survival for their own self and their party, but the politics of advancing the political and social development of Trinidad and Tobago."

Weekes said he would make whatever contribution he could in the Senate to bring before the minds of the public the situation as it stood so as to force a change.

Weekes said he had seen before hand the statement made by the NAR announcing his nomination to the Senate. He said: "I had seen the statement. I had amended it. Our general council approved it."

Weekes said he did not feel any way different in serving on this occasion as he did during the last. "From the point of view of future politics in the country, I look at this appointment as a very important step taken by the NAR," he said.

TRINIDAD AND TOBAGO

CHAMBERS AIRS VIEWS ON FOREIGN, ECONOMIC, MEDIA POLICIES

Assessment of Press

Port-of-Spain TRINIDAD GUARDIAN in English 24 Mar 86 p 1

[Article by Clevon Raphael]

[Text]

NO AMOUNT of hostility from outside would cause Trinidad and Tobago to budge from its policy of taking a principled stand on international affairs.

Prime Minister George Chambers made this abundantly clear when he addressed the St. Ann's West constituency of the ruling People's National Movement (PNM) Saturday night on the 27th leg of his meet-the-party tour.

Mr. Chambers, who is meeting the constituencies in his capacity as Political Leader of the PNM, chided the Water and Sewerage Authority for its inability to respond positively to suggestions from the local communities; explained that the health surcharge was but a minuscule portion of what it cost to run the nation's health services; and said that when the time was appropriate he would do something about media attacks on him and his family.

Responding to comments from party members gathered at the Belmont Junior Secondary School, Mr. Chambers also revealed that the annual wage bill for public servants was \$2.4 billion (\$200 million every 30 days), and counselled one party group spokesman that he was not aware that hostility towards Trinidad and Tobago was anything new.

### Will Not Waver

He declared:

"I repeat that I am not aware that hostility to Trinidad and Tobago is anything new. Trinidad and Tobago has traditionally taken positions of principle which people find difficulty in accepting, except, of course, the peo-

ple of Trinidad and Tobago and the PNM.

"Speaking for myself, in another capacity and the Government, I do not see that any hostility will cause us to waver in any way from our known position of taking positions of principle.

"Deep seated principle, on all matters which come to our attention as your party's government."

On the question of crime, Mr. Chambers said he would take up this matter with the Minister of National Security, particularly with the aim of making maximum use of the manpower and equipment in the Police Service.

Mr. Chambers noted that the best news he has had in the last two weeks was a report in Saturday's "Guardian" that OPEC announced it would defend its official price of \$28 a barrel of oil.

The question of freedom of speech and Press freedom was raised by a spokesperson of the constituency's women's league who said freedom of the Press had now reached licensed proportions. She mentioned the attacks on the Prime Minister and his family.

Backing up the contention of Labour Minister John Donaldson (the parliamentary representative for the constituency) that the society was fast becoming a place where, when one opted to serve the community that person ceased to have any private life of any kind, Mr. Chambers said: "There is total invasion of your privacy. And to the extent that there have been attacks on the Prime Minister and his family, I have been Prime Minister of Trinidad and Tobago since March 30, 1981, and I have never received a resolution from a constituency on this subject."

"I have never received a resolution from a party group on this subject.

"One might be left to conclude that the party does not consider it a sufficiently important matter, one might be left to conclude that. I do not, however, so conclude.

"My predecessor and his family, more particularly his daughter, was attacked for 25 years, relentlessly. And I have said before I have only taken it for five years. (laughter). He took it for 25. Leave it so. (laughter).

### Time Not Appropriate

"I do not see any need, for example, to take legal action, because some of the newspapers in Trinidad and Tobago are in no position to pay any sort of damages, (laughter) ... and this is not a laughing matter.

"I have not said that in the hope that you will smile or laugh.

"There are many newspapers in Trinidad and Tobago where shareholders pay only one dollar for a share.

"The equipment might be rented, the building that they are using might be rented, the machines might be rented. So even if you sue, what are you going to get for it? You may get nothing for it.

"But again, Madam Chairman of the Women's League, when you say that I must do something you have not been specific. And I consider it most inappropriate to say tonight what I think is necessary. This is not an appropriate time. When I think the time is appropriate, I do not think I will say, I will do..." (applause).

### Exchange Controls

Port-of-Spain TRINIDAD GUARDIAN in English 27 Mar 86 p 1

[Article by Jerry Johnson]

[Text] Prime Minister George Chambers said yesterday that, in spite of marked improvement in the country's balance of payments, now is not the time to relax exchange controls.

"What is required now that we have brought the external accounts under control is the adoption of measures to stimulate economic activity, particularly investment from which new employment and sizeable export earnings will result," the Prime Minister told members of the Chamber of Industry and Commerce at their annual general meeting at the Trinidad Hilton Ballroom.

Len Hackshaw was re-elected to serve a third and final term as President, while Michael Williams was asked to hold the post of 1st vice-president.

Mr. Chambers said that because of the improvement in the balance of payments and particularly the gains on visible trade, there have been calls for the removal of the EC-O.

The expectation seems to be that this would result in further improvements. But such expectation, Mr. Chambers noted, does not take into account the fact that the gains achieved reflects compression of imports.

Until export earnings increase, the country cannot afford indiscriminate expenditure on imports, Mr. Chambers said.

### Buy at Home

"In this connection, let me emphasise once more that uppermost in the Government's mind when taking the decision to adjust the exchange rate is the need to increase our capacity to earn foreign exchange," Mr. Chambers said.

There is a perceptible change in outlook in favour of entering international markets, Mr. Chambers said, and that reinforced by modern plant put in place in recent years, the country shall enjoy significant benefits in time.

For now, Trinidad and Tobago must proceed with caution because of the uncertainty of oil prices, Mr Chambers advised.

He saw a role for members of the Chamber in the national effort to increase exports. The Prime Minister advised them to use their merchandising and marketing skills in the quest for international markets.

"In the public perception, what you have done traditionally is buy abroad and sell at home, but what the times require is that you also buy at home and sell abroad," Mr. Chambers suggested.

The Prime Minister told the Chamber that Government adopted a dual exchange rate to continue to benefit from a more favourable exchange, while holding the cost of energy, and, by the implication, transportation, at existing levels.

Yet there had been reports that many items on the lower tier had been raised, Mr. Chambers disclosed. He said the Government continued to see no case for price increases on this range of goods and services, especially with talk about slow sales and high inventories in 1985.

"You, the members of the business community, have a responsibility to limit price increases in recognition of the benefits of Government's action...as well as your contribution to contain costs in support of the export effort," Mr Chambers told his audience.

But he advised the Chamber against using retrenchment as a means of ensuring cost effectiveness.

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TRINIDAD AND TOBAGO

NAR'S ROBINSON HITS CHAMBERS' CHARGES, 1986 BUDGET

Port-of-Spain TRINIDAD GUARDIAN in English 27 Mar 86 p 3

**[Text]** WHETHER Political Leader of the National Alliance for Reconstruction (NAR) A.N.R. Robinson was expelled or resigned from the ruling People's National Movement (PNM) is not the most important issue facing the country today, Mr. Robinson stressed yesterday.

Speaking at a news briefing, Mr. Robinson, who said he was contemplating legal action against Prime Minister George Chambers for saying the PNM had expelled him in 1971, emphasised:

"It is indeed a pity that in the midst of a deteriorating economic situation, increasing chaos in the Government finance, the collapse of a growing number of non-bank financial institutions and mounting frustrations in all sections of the society, Mr. Chambers could find the time for his own brand of petty politics.

"I would have dismissed Mr. Chambers's allegations with the contempt they deserve. However, I have a duty to expose them to the population for what they are — the false mischievous assertions of a drowning man grasping at straws."

### Avoid Legal Action

Mr. Robinson, who read from documents to back his contention that he resigned from the party of which he was Deputy Political Leader in 1970, produced copies of two letters; one dated October 2, 1970, the other March 19, 1971, both addressed to the Speaker of the House of Representatives, indicating he had resigned from the PNM on October 2, 1970 and from the House on March 19, 1971.

Noting that Mr. Chambers had referred to him as "Mr. X" on the Point Fortin leg of his meet-the-party tour at which Mr. Chambers claimed the PNM expelled him in September 1971, Mr. Robinson said the Prime Minister did so to avoid legal action.

"The resolution to which Mr. Chambers refers as purporting to expel me after I had left the PNM was absurd.

### Dirty Tricks

"It violated their own regulations. It was a hoax on the population and a face-saving device — one of their

dirty tricks."

He said Mr. Chambers' preoccupation with a "certain Mr. X" and his (Robinson's) resignation from the PNM 16 years ago were essentially trivia when compared with the economic and financial disaster facing Trinidad and Tobago.

He quoted examples such as the over-estimated revenue expected in 1986 of at least one billion dollars after devaluation; Mr. Chambers himself admitting to a financial gap which was to be financed partly by the "devaluation windfall." Now that oil prices had gone into a "free for all" situation, it was obvious that both shortfall in the estimates identified by Senator Alwin Chow and the Prime Minister's financing gap had increased enormously.

"In other words, the 1986 Budget is now so unbalanced as to be irrelevant to our present circumstances and the Ministry of Finance must be working out a completely different set of figures from those presented last December.

### Revised Budget

"He should find the courage to go back to Parliament and bring in a revised Budget based on realistic estimates and there is also the question of the public debt.

"What about ISCOTT which must pay its European experts? Their bill has also gone up by more than 50 per cent, and like pan, still rising.

"I cite these examples to show you, gentlemen, how dangerous to the country is this game of political trivia that the Prime Minister is playing. I beg you not to be distracted from pursuing information and issues vital to our survival as a nation.

"Not to be side-tracked into non-issues, nor diverted by irrelevant bacchanal deliberately created to hide the fact that this country is in trouble — deep trouble and those in charge have no idea what to do about it."

TRINIDAD AND TOBAGO

PANDAY QUERIES HOUSE FOR OFFICIALS NAMED IN DRUGS REPORT

Port-of-Spain TRINIDAD GUARDIAN in English 25 Mar 86 p 1

[Text] Are the names of Government Ministers mentioned in the top secret report on the illegal drug trade in Trinidad and Tobago?

This is one of the questions filed with the Clerk of the House of Representatives by Opposition Leader Basdeo Panday for oral answer from Attorney General and Minister for Legal Affairs Senator Russell Martineau.

If the answer is "yes," Mr. Panday wants the Attorney General to give the names.

Another question on the same matter seeks to ascertain under what authority and for what reason the Attorney General passed on to a legal practitioner (Desmond Allum) in private practice the report of the team headed by retired Appeal Court Judge Garvin Scott.

"Why has the Honourable Attorney General by-passed, the Director of Public Prosecutions, the constitutional and lawful authority for taking action on the said report?

"Does the Honourable Attorney General intend to make a copy of the report available to members of Parliament?"

Query on Rogers

To Prime Minister and Minister of Finance George Chambers, Mr. Panday had asked the following:

"Would the Honourable Prime Minister state on how many occasions the Member for Point Fortin Cyril Rogers (Deputy Speaker) has been accommodated at the Hilton Hotel or any other hotel in Trinidad at public expense from January 1, 1981 to date?

"What was the total expenditure incurred from public funds for the said accommodation?"

Mr. Panday has also asked Mr. Chambers to say what was the total cost to the Treasury and/or public funds of his trip to China, India and the Far East last year, giving details of transport, accommodation, etc. And, what gifts did he present, and receive from foreign governments and other sources on the 1985 Far East trip; give their costs and what became of them.

TRINIDAD AND TOBAGO

BRIEFS

YOUTHS TO PRC--Three young people from Trinidad and Tobago will be visiting the People's Republic of China in 1987. So said Minister of Sports, Culture and Youth Affairs Muriel Donawa-McDavidson at her office yesterday, when a three-man delegation from the All China Youth Federation paid her a courtesy call. Donawa-McDavidson said her Ministry will "immediately" begin working towards the visit. The Trinidad youths she said, would observe the Chinese youth programmes but particularly the sporting activities. Chinese youths are also expected to visit these shores next year. Li Gang, a member of the delegation told the Minister yesterday about the Federation which looks after the interests of the 310 million youths of China. [Excerpt] [Port-of-Spain EXPRESS in English 25 Mar 86 p 40] /9274

YOUTH COUNCIL-PNM TIE--Claude Boyce, president of the National Youth Council (NYC), yesterday reiterated his loyalty to the People's National Movement (PNM) of which he is a member, and to Prime Minister George Chambers. Mr. Boyce said he was making his position clear in the light of reaction to the NYC's statement published in the "Guardian" on Tuesday--that the NYC would not meet with the visiting three-man Chinese youth mission. "As the umbrella organisation for youth groups in the country, the NYC ought to have been asked to make an input into the planning of the visit. This was not done," the statement said in part. Mr Boyce said yesterday a lot of people were "uptight" over the situation, but the NYC took a "principled stand" which he fully supported. "I have no intention of leading an organisation that is being treated that way. I am the president now, but there will be future Presidents. The way the thing was handled showed lack of respect for young people," said Mr. Boyce, who insisted that despite what had happened he remained loyal to the PNM. He would be attending Sunday's convention, he said. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 28 Mar 86 p 3] /9274

NAR REGISTRATION DRIVE--National Alliance for Reconstruction (NAR) is stepping up its electoral registration update campaign. It has reminded constituency groups that their completed work on the latest annual list of electors prepared by the Elections and Boundaries Commission must be submitted to NAR's Port-of-Spain office, 10 Albion Street, as soon as possible. This is required to assist the Commission in their verification exercise. Meanwhile the commission's Public Relations Officer, Harold Gajadhar, announced the setting up of a telephone "hotlines" to ascertain the status of a person's registration.

The numbers people can call from 10 a.m. to 1 p.m. and 2 p.m. to 3.30 p.m., Monday to Friday, are 627-0745 or 627-1516. This service goes up to April 30. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 28 Mar 86 p 3] /9274

SUGAR LOSSES--Port-of-Spain, 13 Apr (CANA)--Losses in Trinidad and Tobago's troubled sugar industry have mounted, with nearly 25,000 tonnes of cane being damaged by fire last week, according to the state-run sugar company, Caroni 1975 Limited. Production in the industry, hit by a work-to-rule by the 8,000 sugar workers since 6 February, is also trailing targets, according to the company. Caroni said it is 9,724 tonnes of sugar behind its targets with seven weeks of harvesting left. Caroni also claimed that over the last week malicious fires in central Trinidad led to the damage of 24,659 tonnes of cane on 1,029.34 acres. This was said to take the total damaged to 317,284 tonnes. Caroni is facing industrial action over an appeal it lodged in the High Court against an industrial court wage award to sugar workers. Caroni says it cannot afford to pay the 147 million dollars (one TT dollar; 27 U.S. cents) involved. Sugar workers say they will maintain the work-to-rule until the appeal is withdrawn. [Text] [Bridgetown CANA in English 1741 GMT 3 Apr 86 FL] /9274

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